

Legislative Council,

Tuesday, 28th May 1918.

The PRESIDENT took the Chair at 3 p.m., and read prayers.

[For "Questions on Notice" see "Minutes of Proceedings."]

SWEARING-IN.

Hon. Joshua Mills (Central) who was absent on Wednesday, 22nd May, when other members were sworn in, took and subscribed the oath and signed the roll.

STANDING ORDERS SUSPENSION.

The COLONIAL SECRETARY (Hon. H. P. Colebatch—East) [3.5]: I move—

"That for the remainder of the Session so much of the Standing Orders be suspended as is necessary to enable Bills to be put through all their stages in one sitting and Messages from the Legislative Assembly to be taken into consideration forthwith."

It has always been the practice during the last day or two of the session to suspend the Standing Orders, for the purpose chiefly of facilitating the passage of Messages from one House to the other. I assure hon. members that if the motion is agreed to, no attempt will be made to force anything through the House.

Question put and passed.

STANDING ORDERS COMMITTEE, CHANGE OF MEMBER.

On motion by the COLONIAL SECRETARY, Hon. J. Nicholson was appointed a member of the Standing Orders Committee in place of the Hon. J. M. Drew.

MOTION—REPATRIATION SCHEME, CONTROL.

Hon. J. EWING (South-West) [3.8]: I move—

"That in the opinion of this House the settlement of soldiers' scheme should be controlled by one Minister and a responsible officer."

I feel that at this stage of the session this is a somewhat important motion to bring forward. I should not have done so had I not thought it my duty to do this in the interests of those soldiers returning to the State and desiring to settle on the land, and because of my earnest desire to receive some statement of a definite character from the Government in regard to this question. I hope this motion will not be shelved, and that hon. members will express their views upon this important matter, which so much affects the progress of the State. I wish the leader of the House and the Government to understand that I am not speaking in any carping, critical, or fault-finding spirit, or pointing out to the people that I think the Government have done nothing in this matter. At the same time, the Govern-

ment have not done sufficient, and I want to know what their attitude will be during the next few months when, in the interests of our returned soldiers, the matter should have earnest attention. I wish to make quite clear the responsibility of the State in regard to the settlement of our soldiers on the land, and this is done in a speech delivered by Senator Millen when introducing the Repatriation Act in the Federal Senate on the 18th July, 1917. It will not be necessary for me to read that speech because most hon. members are cognizant of what it contains. It says, *inter alia*, that all the States in Australia, with the exception of Queensland, have joined in with the Federal Government in regard to the settlement of soldiers on the land, and that from the inquiries he has made, he found that 40,000 soldiers would, at that time, be likely to settle on the land in Australia. This would probably mean 4,000 or 5,000 soldier settlers in Western Australia. He made the position abundantly clear. The real reason which has actuated me in moving this motion is a statement made in London which appeared in the "West Australian" on 8th May, 1918. It is headed "Empire Problems," "Western Australia and Immigration," and is as follows—

"Imperialist" writing to the London "Financier," says:—Since his arrival in this country Mr. J. D. Connolly, the new Agent General for Western Australia, has been giving considerable attention to the important question of emigration, and is now formulating his plans for the introduction of soldier settlers after the war. He has visited almost every country in the world, including the United States and Canada, and unhesitatingly asserts that no country offers better opportunities, under better conditions, than Australia. In the course of an interesting chat I had with him last week, he said that Western Australia was fully alive to her duty to make ample provision for the settlements not only of her returned soldiers, but also of British and those of our Allies, and had completed a scheme to cope with all men who might be sent out from these shores after approval here by her representatives. With regard to the repatriation of returned soldiers, although the question of settling men on the land had been given prior consideration, the Government recognised that it would be necessary to go beyond that, because in the words of the Premier—Mr. H. B. Lefroy—"One of the greatest mistakes a country could make would be to induce men to take up occupations for which they were temperamentally and physically unfitted and in which they would not be likely to make a success." Such men would not be encouraged to take up land. Again a certain amount of training is necessary before a man without previous experience can carry on the work on the land with any degree of success, and in order to meet this a practical scheme will be formulated by which those desirous of settling upon the soil can obtain some practical experience beforehand. Those who choose some other form of occupation can take advantage of the free system of technical education provided in all the big centres of this State. The Premier of West-

ern Australia has sent to the Agent General copies of plans and maps showing the lands which will be set aside for soldier settlement purposes.

When I saw this I asked certain questions in the House, the answers to which were not altogether satisfactory. If they had been satisfactory I would not have taken up the time of the House in moving this motion, as I am doing in the hope that something of a tangible nature will be done in the near future. I have to thank the leader of the House for his courtesy in placing on the Table copies of the plans showing the land in Western Australia suitable for returned soldiers, which plans had been sent to the Agent General, and which seem to be the basis of the statement made by the Agent General. If hon. members will look at that plan, and then go to the repatriation office and view the plan in the land settlement section there, they will observe a vast difference between the two. I do not in any way blame the Agent General, nor perhaps the officer here, whose zeal and energy caused him to send that plan home; but it is very misleading. It has been decided by the Government, and also by all right-thinking people, that the returned soldiers who desire to settle on the land shall not be located at a greater distance from railway communication than nine miles. The plan in London, put forward as representing the views of our Government, shows enormous territories—north, south, east, and west—as being available for these soldiers. Naturally, anyone in London looking at that plan would conclude that there are enormous areas available for soldiers, and that the choice would be wide and varied. But a large portion of the land shown on the plan in London cannot be allocated to the soldiers unless a very large amount of money indeed is expended upon railway communication. All of us know that in the present condition of things here the money is not available, and therefore we come to a different position, which, I maintain, is not before the Agent General in London to-day. The plans now approved show lands that are certainly scattered and certainly not suitable to any large extent for group settlement. That land represents the Crown estate available at the present time to our Government for the settlement of returned soldiers within nine miles of railway communication. It seems to me only right that the matter should be put in proper order, and that the Agent General should be advised of the exact position. Before going into the question of the position in Western Australia, let me describe the position in the Eastern States. My motion, which I hope will be carried by this House, is very clear. It asks that one Minister should be placed in charge of the returned soldiers settlement scheme, and that that Minister should be assisted by a competent officer. Further, I am quite satisfied that a board should be appointed. However, I want the matter to be entirely in the hands of certain people who shall be directly responsible. The position here, so far as I can see, is not satisfactory; certainly it is not

satisfactory as compared with the position in the Eastern States. New South Wales has special legislation on the subject. I have here all the Acts passed by the Eastern States in this connection, and also by New Zealand; and I have gone through them carefully. I shall try to place before hon. members a few of the salient points of the legislation elsewhere, in order that they may see what has been done and compare it with what has been done here; when, I hope, they will urge upon the Government to give all possible assistance in order that we may get into line with the Eastern States and New Zealand in this respect. New South Wales passed its Returned Soldiers Settlement Act at the end of 1916 or at the beginning of 1917. The Act provides for a director of soldier settlement, just exactly the position I desire to have established here. Otherwise a satisfactory solution of the question will be impossible. We cannot have one Minister interfering here and another interfering there, without any hope of finality. The New South Wales director of soldier settlement acts under, and with, the authority of the Minister for Lands. That State has set aside, as we have done here, a large area of Crown lands; indeed, an enormous area—it is not necessary for me to quote the figures.

Hon. J. Duffell: Is that land close to railway communication?

Hon. J. EWING: I do not know where the land is situated, but I am quite prepared to say that it is in such a location as to enable those who settle upon it to get their produce to market and make a success of the undertaking. New South Wales has also repurchased several large estates and many small estates. That brings me to an important point. I believe the only definite statement we have had from our Government in this connection is that they have decided there is sufficient Crown land available for the settlement of returned soldiers—sufficient Crown land, that is, including our repurchased estates. The Government say that therefore it is not their policy to repurchase any more land for the settlement of returned soldiers. New South Wales is repurchasing wherever it is advisable, under a compulsory system. If that is done in New South Wales, there is much to recommend it here. New South Wales has also the co-operative system of group settlement; and I have carefully read what printed matter I have been able to obtain in that connection. It is most interesting and instructive. Let me point out that I am not speaking of what New South Wales intends to do, but of what it actually has done or is doing. Men who are to be placed in group settlements are first put through a training school, during their stay at which they are paid a living wage and given free board and residence. They are taught the cultivation of different classes of land, and are given the opportunity to make up their minds whether they wish to become dairy farmers, or producers of wheat, or of potatoes, or cattle and sheep raisers. As they show aptitude, and as they obtain experience, they are placed on the land. The training

schools appear to me the most advantageous that could possibly be established. When a returned soldier is married, New South Wales provides him with sustenance for his wife and any children under 16 years of age. All that kind of thing has been and is being done; and I think we must admit that, in comparison, Western Australia has not done very much. One most important question, and a question to which I drew attention in this House some time ago, is the rate of interest on advances. The rate for advances under the Federal Act is $3\frac{1}{2}$ per cent. for the first year, and $\frac{1}{2}$ per cent. additional as each year goes by, until five per cent. or six per cent. is reached. In connection with our recent land legislation, an amendment was carried in this House expressing the desire that in the case of returned soldiers no charge for interest should be made in respect of advances for improvements during the first five years. That position is not borne out by the legislation of any of the Eastern States, who are all charging interest from the very start. I admit that, but I am not prepared to advocate a similar arrangement here. What I have stated concerning New South Wales shows how much in earnest the Government there are regarding this question, and how much further advanced they are than we in Western Australia. Victoria has a special Act similar to that of New South Wales. Land has been purchased, and the management of the scheme is under the Minister for Lands and a board. I wish to emphasise the latter circumstance, because I believe in every State with the exception of New Zealand the repatriation of soldiers as regards land settlement is under a board, and these boards generally consist of three members, and have very full and complete powers. That is the position which I desire should obtain here. The boards, moreover, are mostly non-political. This applies especially to Queensland; in Victoria and New South Wales, I believe, the boards to some extent consist of departmental officers. Victoria also has compulsory purchase; and the rate of interest there, as in New South Wales, is $3\frac{1}{2}$ per cent., increasing by $\frac{1}{2}$ per cent. each year. The Victorian Act has a very important section which provides that the improvements on repurchased lands may be valued separately and treated as advances. Such a provision would, I think, apply to estates repurchased by the Government, and allocated to returned soldiers. Victoria and New South Wales have gone to these lengths in the settlement of returned soldiers notwithstanding the fact that they have not received any advances for the purpose from the Federal Government. I believe they are working absolutely on their own money, taking the risk of getting it back from the Federal Government when the latter are in a position to furnish it. A week ago Mr. Carson asked in this House a question on this subject, and the reply was that no funds had been received by Western Australia from the Federal Government for land settlement of returned soldiers. I do not suppose, if we have

not received any, that the other States have received any. New South Wales, however, from the very commencement of its Act, a year or 18 months ago, set aside £2,500,000 for the purpose of assistance to soldiers and advances to them for the first three years. That is a large amount of money. The Act makes it absolutely essential that the whole of this money shall be expended for that special purpose, and for it alone. The money is not taken from Consolidated Revenue, but it is borrowed and earmarked specifically for the settlement of soldiers on the land. When one seriously considers the matter, one must admit that Victoria has done a very great deal towards the settlement of returned soldiers on the land. Let me emphasise that the training schools and colleges are a most excellent feature of their system; and towards the end of the remarks I have to make I shall point out where, in my opinion, this particular policy should have been adopted by the Western Australian Government long ago. Victoria has advisory committees all over the State, and the Victorian municipal councils also assist the land settlement of soldiers in every direction. I desire that a similar position should obtain here, and if my motion is carried the Government will be urged to take steps in that direction. We have been told that the policies of the various States on this subject are similar; that their policies will be practically the same. However, I find that the South Australian Act makes advances to soldiers free for one year, and charges $2\frac{1}{2}$ per cent. for the second year, $3\frac{1}{2}$ per cent. for the third year, and for the fourth year five per cent., which is the maximum. This fact shows that the conditions, at all events as regards advances to soldiers, can be varied. A specially pleasing feature of the subject in South Australia is that that State has established two very complete and very satisfactory training schools; one at Pomoota, which is set aside for pupils desirous of going in for dairying, pig raising, or poultry; and another at Mt. Remarkable, for pupils desirous of learning wheat growing and stock raising. So that South Australia in this respect has clear lines of demarcation; the soldiers there are not all huddled together, but are separated according to the different avocations in which they desire to be trained. The trainees in South Australia receive 30s. per week and free board and lodging. Thus, South Australia is far in advance of this State as regards repatriation. South Australia, I believe is in no very affluent circumstances. I do not know that she is much better off than Western Australia. Neither has South Australia, I believe, received any Federal money for repatriation purposes. But she has recognised the absolute necessity of moving in this direction, and has not hesitated to move. The three States I have mentioned confirm me in the opinion I hold, that a vast amount of satisfactory, important, and valuable work could already have been done towards the settlement of soldiers on the lands of Western Australia.

Hon. J. W. Kirwan: Has anything been done for soldiers who do not want to settle on the land?

Hon. J. EWING: I am not dealing with any other phase of repatriation except that regarding land settlement. The other phases are being dealt with by the Federal Government and I believe they are doing excellent work in all the States. In our own State a commencement has already been made by the appointment of a board and a secretary in the country districts; committees have been appointed to assist in connection with the repatriation of soldiers outside the land settlement question. But I am not dealing with that aspect; I am confining my remarks to the question of settling soldiers on the land and I am endeavouring to show the House the provisions which have been made in the respective States.

Hon. Sir E. H. Wittenoom: Are there many of them who are ready to go on the land?

Hon. J. EWING: If the conditions are made attractive I am satisfied that many hundreds will be delighted to take the opportunity of going on the land, if it is only for health purposes, and leading quiet and peaceful lives. But if the conditions do not obtain by which a man can go into the country for the purpose of growing wheat, or going in for any kind of farming, we shall have an unsatisfactory condition of affairs and we shall find ourselves behind the rest of Australia. It is rather unfortunate that we have not yet made a definite move, and the fact that the motion which I am moving is being debated so late in the session will prevent it from receiving that lengthy consideration which its importance deserves. I am rather astonished at the Government not having dealt with the matter by legislation this session, or at any rate that some time has not been given up to discussing the question. In the State of Tasmania special legislation has been passed for the repatriation of soldiers. The Act in that State was passed in 1916. Their board consists of a president and two members who are under the Minister for Lands. So that hon. members will see that in all the States provision has been made for absolute control by the Minister for Lands with a board composed of a director or superintendent and two others to assist. In that way a definite purpose is arrived at. In Tasmania the work which is being done is being proceeded with on lines similar to those followed in the other Eastern States, so far as training colleges are concerned and the classifying of settlers in the different avocations. So far as New Zealand is concerned the Act there was passed in 1915. The Dominion recognised as soon as the men went away that a time would arrive when they would return, and they took steps as far back as 1915 by passing what is known there as the Returned Soldiers' Settlement Act. I have not had the privilege of seeing that Act, but I have been able to peruse a report dated the 31st March, 1917, and that report forms pleasing and instructive reading. It does a great deal to emphasise the necessity for immediate action being taken by this or any other Government. The success which has attended the efforts in New Zealand has been pronounced. The administration of the Act there is under

the Minister for Lands and practically in the hands of the Lands Department. Without having a definite knowledge of the Land Act of New Zealand I have gathered from the report to which I have referred that separate commissioners are appointed all over New Zealand. I have been able to select 10 separate reports made by commissioners and I have gathered that the system in vogue there is different from any of those in Australia. Last year there was spent £500,000 on the repurchase of land, while a sum of £100,000 was advanced to the men. It must be realised that these are considerable sums, and they are striking when we remember that in Western Australia nothing really definite whatever has yet been done. In New Zealand the money has been spent in the direction of establishing farms and doing one hundred and one other things under the legislation which has been passed. In Western Australia we have carried out merely a few surveys and beyond that nothing of real value has been done. New Zealand also spent last year no less a sum than £20,000 in road making. That appeals to me because there must be either roads or railways to provide access to the blocks on which the returned men are placed. The conditions so far as improvements of the blocks are concerned are practically the same in New Zealand as they are in the Eastern States and also those which have been suggested by our own Government in Western Australia. It is also interesting to know that in New Zealand a number of prominent and wealthy members of the community have gone to the assistance of returned men. Those who are desirous of assisting repatriated soldiers who have done so much to protect New Zealand and Australia, as well as the Empire, are invited to help. One gentleman named Mr. G. P. Donnelly of Napier, according to the reports which I have, has contributed horses, pack saddles, fencing wire and 9,460 sheep, and the value of his contribution to the repatriation scheme is set down at no less a sum than £12,000. Of this sum £7,000 has been loaned to 15 soldier settlers free of interest for five years. That will appeal to hon. members as a patriotic and splendid action on the part of a wealthy resident of New Zealand, and an act of that description certainly cannot be other than satisfactory to the soldier settlers who have returned after having fought our battles. Other patriotic residents of Napier, the Messrs. Williams, have given 3,850 acres of land worth £40,000. They have formed a private board, who are managing this estate for the returned soldiers. Money is borrowed from the banks, all of which are quite willing to make advances on the property, and the land is worked in the interests of the widows and dependants of soldiers and sailors killed. Actions of that kind are exceedingly encouraging. Then the repatriation boards in New Zealand have shown energy and determination in carrying out their work, and it has resulted beneficially in the directions I have mentioned. I hope something of a similar nature will be done in Western Australia when a real commencement is made. In New Zealand 319 soldiers were settled on 143,524 acres of land last year. Sir Edward Wittenoom

asked by an interjection a little while back whether all the men were going on the land. The report from New Zealand shows that a great number of them are doing so and are deriving a considerable benefit from that kind of life. I may quote the case of one man named Leonard Ashworth. This man returned wounded in the head in 1915 and he took up land shortly after his return to New Zealand, in 1916, and improved in health to such an extent that he was able to re-enlist and is now fighting once more at the Western Front. That will show that if the men will only make up their minds to go on the land, their chances of recovery and establishing themselves with success will be greater than if they remain in the cities.

Hon. Sir E. H. Wittenoom: I asked you whether many were ready to go on the land?

Hon. J. EWING: The hon. member, I am sure, was interested in the remarks which I have made regarding the success which followed the settlement of soldiers on the land in New Zealand. I hope that it will be possible to quote similar instances in Western Australia after we have made a start. The total advances which have been made in New Zealand amount to £62,420 for improvements and £30,000 by way of mortgage, while the native owners of New Zealand have supplied 40,000 acres for the repatriation of Maori soldiers who have been fighting at the Front. Altogether, then, in New Zealand, we have a bright example in connection with the settlement of returned soldiers on the land which might well be followed by us. I now come to what I think is the most progressive and the most energetic State in connection with repatriation, namely, Queensland. There is a Labour Administration in that State, but that is neither here nor there. The Government there have recognised the necessity to do something for the soldiers who have returned. They, too, have special legislation. Senator Milten stated recently that five of the States were standing together, but that Queensland had decided to stand out, because it was the intention of that State to carry on her own work of repatriation. Queensland has done that and has a better record than any other State of Australia. Special legislation was passed on the 15th February, 1917, and the title of the Act is the Discharged Soldiers' Settlement Act. The policy of Queensland has been entrusted to a committee which is non-political and it is presided over by the Minister for Lands. They propose to lend the settlers £500 as a pound for pound subsidy on clearing and improvements and they go further and say that they will lend £700 to the settlers for the purpose of purchasing stock or machinery. Therefore, if a man is energetic, he can get his pound for pound subsidy and he will have no less a sum than £1,700 with which to operate his block. The position is, therefore, very satisfactory. What appeals to me with regard to the policy of Queensland is the fact that although the rate of interest is the same as is proposed in other States of Australia, namely $3\frac{1}{2}$ per cent. increasing at the rate of $\frac{1}{2}$ per cent. per annum until it reaches 5 per cent., a period of 40 years is allowed for repayment. I urge that in Western Australia the period be increased to 60 years. All that we want is that

the settlers shall be successful and, sooner or later, shall return the money advanced to them. We want, not to drag the money out of the pockets of the people settled on the land, but to give them every facility and charge them a very low rate of interest over a long period.

Hon. J. Nicholson: But 60 years would mean the second generation.

Hon. J. EWING: That would not matter. Every soldier settled on the land will be a great asset to the State. I saw also that they have over there very satisfactory training schools. What impressed me was the large amount of money they are spending. In a paper which was shown to me by the Minister for Lands on Saturday, I saw that £46,000 had been set aside for one particular purpose, which for the moment I have forgotten; and that £100,000 was on the Queensland Estimates last year for the benefit of soldiers, in what particular direction I cannot now say. But I remember that they had on the Loan Estimates in Queensland for last year £200,000 for advances to the soldier settlers. There is something practical and real about that. The money is there, and they are expending it. It is certainly an indication that as the soldiers return in increasing numbers that amount must be increased, and the benefit will be not only to the soldiers, but also to the State of Queensland. They are doing a specially good work there, and I am convinced that we could not do better than emulate them. The position in Western Australia is not altogether satisfactory. As I have said, my only desire in moving the motion was to see something of a practical nature initiated, and to get an expression of opinion from hon. members. Again, I thought it might have a tendency to spur on the Government in the great work ahead of them, which I think must be managed in the way indicated in my motion. We have no special legislation. Of course we have our regulations under the Land Act, regulations providing for the payment of $3\frac{1}{2}$ per cent. over a period of years, and certain other regulations. But we are now dealing with a specific question, and we require a specific Act under which we can work. Despite the troubles of the Government, I think time might have been found to frame a Bill which would put the position clearly. I understand the policy of the Government is non-purchase of private lands. The Government have not made any provision for it. My idea of a soldier settlement is that we require to repurchase land in close proximity to a railway, and settle the men under the very best possible conditions. Are we going to put them on land at Nornalup and at Lake Grace? Good as the land at those places is, they are not suitable places for returned soldiers. We should not put on the shoulders of such men the responsibility of carrying out pioneering work, but we should make the conditions satisfactory and attractive to them. A little time ago Sir Edward Wittenoom interjected that hundreds of men could be seen walking about Perth. That is very true. But I am convinced that if we had proper training colleges at Chapman, Brunswick, and Narrogin, we would not have the soldiers walking about Perth to-day. We

must provide homes for those men and give them a fair trial on the land to see whether they will make satisfactory settlers. If, at the end of 12 months, it be found that any of them are not suitable, we should then place those particular men somewhere else. But most of them, I am sure, will be found to make excellent settlers. What is to prevent the Government taking the Brunswick State farm in hand for the soldiers? It is a splendid farm. It has a beautiful river running through it, and it comprises some excellent land. It has houses and accommodation of all kinds. It is an ideal spot for those men to go to, and there is an able manager on the property. Surely the Government could send a few hundred men there and let them live under proper conditions and familiarise themselves with the life. In New Zealand expert officers are provided for the instruction of the returned soldiers. In this State we seem to be getting rid of our expert officers. But we shall require expert officers to train those men. I recommend that a fair opportunity be given to those men under proper conditions with skilled instructors. We must first of all decide upon a policy of land settlement for the soldiers, decide whether we are to repurchase land close to railway lines. As members of the Council, we have a right to know what the Government intend to do in this respect. What do we know of what is being done in regard to repatriation, and where it is proposed to settle soldiers wishing to go on the land? Soldiers come in singly to the repatriation office, and are told that there is land at Lake Grace. Let hon. members look at the map, and they will see there a number of isolated blocks far apart. That is not the sort of place to which to send these men. We must decide upon a policy as to whether we should purchase land close to the railways. Otherwise, we cannot successfully settle those men. Another point: I maintain that it is not a fair thing to charge those men any interest during the first five years. If we are going to burden them with interest during that period, it will be wholly unjust to them. If we give them the land, spend money in improving it, and give them five years free of all payment, we shall have a community of happy soldier settlers. Of course the Colonial Treasurer will ask how is this to be done. I think there ought to be special taxation for this purpose. Consider the number of people who have not taken any active part in the war; if we place on their shoulders the obligation of providing interest for five years on the money thus advanced to our soldier settlers, it will amount to very little per head, and I am sure there would not be a single voice raised against such a policy. Then, at the end of five years, the soldiers would be in a position to take up their obligations. I would like from the Minister an announcement in regard to the policy of repurchased estates. We have repurchased estates at Harvey, Yandanooka, and Avondale. Those estates are very valuable. I have a personal knowledge of the Harvey estate, and also of that at Yandanooka. I understand

that recently the Honorary Minister for Lands inspected the Avondale estate. According to the statements made by him the land is not what he expected to find. Be that as it may, I know there is a lot of good land in the Harvey estate, and I know that the Yandanooka estate comprises magnificent land. I want to know how we are going to make those estates available to returned soldiers. The Avondale estate cost something like £5 or £6 per acre. Are we going to charge the returned soldier that much for the land? I know that as much as £10 and £12 per acre has been paid for land at Harvey, but I say the position is absolutely impossible, and that we must write that land down to bed-rock if we are going to put the returned soldiers on it. If we attempt to settle those men on that land at the abnormally high price at which it was purchased, there will be nothing but failures. I hope that opportunity will be given to hon. members to consider this important question. I would like to hear hon. members of greater experience than I in point of land settlement; I want to hear their views on this question, and I want an announcement from the Government regarding their policy in respect of soldier settlement. I have no desire to criticise the Government in this regard. I want to make certain that those who are going to administer the returned soldiers' scheme shall have authority. Recently there was laid on the Table a report showing the Government policy, and as far as I can remember, the Minister for Lands has to find the land, the Minister for Industries will then come in and manage it; then it will be necessary to go to the Agricultural Bank for advances, after which the Minister for Agriculture will have a say. Thus we shall have the whole of the Ministry interfering in this question. It is impossible. Therefore, I want to know what the Government really intend to do.

Resolved: That motions be continued.

Hon. J. EWING: I want to do away with dual control. If as a result of this motion, the control of the settlement of soldiers on the land is placed in the hands of the Minister for Lands, if he is a capable man, he will have the opportunity of his life. It will have to be a broad-minded and clever man who will successfully manage this scheme. I want the Minister to be assisted by a board, if necessary a board of three. Everything that is done should be concentrated in that board, including the money that will be used, and everything that has to be done by other departments in this regard should be done through the board. If such a scheme is adopted, it will be of advantage to Western Australia, and to the soldier who wants to settle on the land.

On motion by Hon. E. Rose, the debate adjourned.

BILLS (2)—THIRD READING.

1. Insurance Companies.
Returned to Assembly with amendments.
2. Fire Brigades Act Amendment.
Passed.

BILL—STAMP ACT AMENDMENT.

Report Stage.

On motion by the COLONIAL SECRETARY Bill reported with amendments, and a Message accordingly forwarded to the Assembly requesting them to make the amendments, leave being given to sit again on receipt of a Message from the Assembly.

BILL—WHEAT MARKETING.

In Committee.

Hon. W. Kingsmill in the Chair; Hon. C. F. Baxter (Honorary Minister) in charge of the Bill.

Clauses 1, 2—agreed to.

Clause 3—Ratification of agreement of first schedule:

Hon. R. J. LYNN: Will it affect Clause 18 of the agreement if we pass this clause?

The CHAIRMAN: If the agreement is amended it will necessitate a recommitment of the Bill for the amendment of Clause 3. It will probably necessitate the addition in the clause of the words "subject to the amendment made in Clause 18 of the agreement." The hon. member is quite safe.

Clause put and passed.

Clauses 4, 5, 6—agreed to.

New clause:

Hon. J. A. GREIG: I move—

"That the following new clause be added:—'Section 4 of the principal Act is hereby repealed, and the following section is inserted in lieu thereof:—4. (1.) The Government may appoint a board of five members, two of whom shall be representatives of the Farmers and Settlers' Association, one a representative of the Perth Chamber of Commerce, one a representative of the Associated Banks, and one a representative of the Government. (2.) The board so appointed shall be called the "Wheat Marketing Board," and shall be a body corporate under that name, and shall have perpetual succession and a common seal, and shall be capable of suing and being sued. (3.) The board shall, under the supervision of the Minister, have the entire control of the carrying out of the provisions of the agreements set out in the Schedules to this Act and the principal Act, and all powers conferred on the Minister by this Act and the principal Act shall be vested in the board. (4.) The board may appoint a chairman, a secretary, and all officers and employees and inspectors necessary for carrying out the duties hereby imposed upon them.'"

The present Advisory Board is advisory only, and will give its advice if the Minister consults it. At present there is nothing obligatory on the part of the Minister to consult the board. When it gives advice it is unnecessary for the Minister to take any notice of it. My amendment is designed to alter that position.

Hon. C. F. BAXTER: I must ask the Committee not to agree to this amendment. It was decided that any subsequent guarantees being made should be made on the understanding that the States retained full control and responsibility. If we agree to an executive board, it would mean that the State would stand the whole of the guarantee. At present the Federal Government are bearing half the responsibility. We feel sure that no matter what occurs, the wheat will return 3s. per bushel and that will carry the State's guarantee. Any loss over and above the 3s. will be borne equally by the State and the Commonwealth Governments. The argument for an executive board is very weak. Governments cannot delegate their duties to boards responsible to nobody. Every notice is taken of the advisory board. Since the lapse of six or seven weeks after my taking charge of the wheat scheme, I have attended every meeting of the board; and on only one occasion have I turned down a recommendation of the advisory board—that referring to galvanised iron. Recommendations passed at meetings in which I take part would naturally receive every consideration from me. It is my intention to appoint two representatives of the farmers to the advisory board. I trust the amendment will not be carried.

Hon. J. A. GREIG: The Committee will realise that our Government are responsible for 3s. per bushel at depots, and for one-half of the other shilling f.o.b.; the Federal Government being responsible for the remaining sixpence. The chances are that the wheat is already sold when it goes aboard ship. Here the question is, could an executive board handle the business better than the Government have done? The farmers are confident that the answer is in the affirmative. As regards responsibility for loss, if the State cannot stand a loss of 1s., should such a loss be made, the State will be in a most desperately bad condition. Every section of the community must gain if the farmers can save in the handling of their crop. To-day, when the State makes such losses as those at Spencer's Brook and elsewhere, it is the farmer who has to suffer.

Hon. A. SANDERSON: Do the wheat growers themselves favour this new clause?

Hon. C. F. Baxter: I cannot say.

Hon. A. SANDERSON: I am not surprised. From inquiries I have made outside, and from the discussions here, I have gathered that the wheat growers as a class are in favour of these other representatives coming in. I am at a loss to understand why the Honorary Minister wishes to grasp this great problem, instead of letting it alone. Would it not be better to let the farmers and the Federal Government, who are the two parties chiefly interested, manage their own business? If the statement of the Honorary Minister is that the Federal Government forbid the farmers' representatives acting on the committee, where is the documentary evidence for that statement?

Hon. C. F. Baxter: They do not forbid representatives of the farmers acting, but they

will not continue their guarantee if the control of the wheat is handed over to an executive board.

Hon. A. SANDERSON: To me it is quite incredible that the Federal Government do not wish to recognise the farmers in the matter. If there is a division, I shall vote for the new clause. The real guarantee in the matter is that of the Federal Government, and not the guarantee of the present State Government, which is not worth a snap of the fingers.

Hon. J. DUFFELL: On this new clause I am prepared to cast my vote according to the information I may receive here; but so far I have been merely confused, and in no wise convinced. Mr. Greig says that the farmers are not satisfied with the handling of the past season's wheat. But on the second reading it was stated repeatedly that the farmers had had the benefit of getting their wheat handled by their own representatives, the Westralian Farmers Limited. Mr. Greig might have shown how it would be possible to get the wheat which has been sold away from Western Australia, so that our farmers might receive the purchase price. Instead of that, however, Mr. Greig outlines an executive board to consist of various sections of the community. It seems to me this is the nucleus of a scheme for the handling of that article which is already sold and that it will involve a great expense. If we go further we will find that the board is to be a perpetual one and that they will have a common seal. They will have power to appoint their officers and it seems to me that there is to be something moving which will result in great expense to the farmers of this country. Instead of bringing about facilities for the transport of the wheat from Western Australia, the expenses will go on accumulating.

Hon. H. MILLINGTON: There is nothing in the amendment to say that it shall be mandatory on the part of the Government to appoint the board. If Mr. Greig were in earnest he would say that "the Government shall have the power" to appoint the board. If we carry the amendment the Government will be able to please themselves as to whether they carry out the terms of it or not. It appears to me that there is too much farmer in this business, that there has been too much domestic quarrelling and that they are asking us to adjust the differences which exist. I want to know exactly what the farmers do require. If they can show me some scheme which will make wheat marketing better than it is to-day, I will consider it. It appears to me rather a peculiar complaint that they are not satisfied with the existing arrangements. If the board are to be representative of the farmers' association, or it is necessary to select men who happen to be members of that institution, they must be representative men. If a board is to be constituted, let it be representative of some body. Instead of a particular individual whom the Minister may select. But whether the amendment be carried or not, I should say it is advisable that the farmers' association should be able to nominate a man who will be respon-

sible to them, so that that man would be a representative person and not merely one who happened to meet with the approval of the Minister. But if the Federal Government do object to deputing any power to other than a Government representative, I fail to see how we can carry the hon. member's amendment.

Hon. J. A. GREIG: Hon. members do not appear to be aware of the existing conditions. The Westralian Farmers have the right of acquiring the wheat, but once that wheat arrives at the depot it is out of their control. The Government then handle it, as the Government handle most things, and that is what we object to. We say, if we had a board in the place of the Government, once that wheat arrived at Spencer's Brook, or at any other depot, instead of going into the control of the Government, it would go into the control of the executive board.

Hon. R. J. LYNN: Does the Westralian Farmers' liability cease then?

Hon. J. A. GREIG: It absolutely ceases then. Had the wheat been left to the Westralian Farmers to stack, and to be responsible for until shipped, there would have been nothing to complain about. Or if complaints had to be made they would have been made to the Westralian Farmers' and Parliament would have heard nothing about them. To-day we are simply complaining about the mismanagement of a Government concern which is out of our control. The Westralian Farmers have no control. The control is in the hands of the Federal Wheat Board who sit in Melbourne. If the Federal Wheat Board were run by the farmers there would not be half so much wheat in Australia at the present time.

Hon. Sir E. H. WITTENOOM: Has it not been stated that the Government must retain control of the wheat scheme if they want to remain in the pool?

Hon. J. A. GREIG: When that statement was published the Farmers and Settlers' Association of this State wired immediately to the acting Prime Minister to ascertain whether that was correct. They also wired to the secretary of the Farmers' Union of Victoria asking him to inquire whether that statement was correct. The following telegram was sent to Mr. Hall of the Victorian Farmers' Union, Melbourne—

Have despatched following wire to acting Prime Minister re Australian wheat pool:—
"Reported here Australian Wheat Board Ministers at recent meeting Melbourne decided that State Governments if desiring to remain in pool, and receive benefits, must retain complete control of wheat scheme their respective States. Please advise what authority this board has for its decision which conflicts with Mr. Hughes' statement from time to time that each State only is concerned in handling and preservation of their harvest and Australian Wheat Board not responsible in any manner regarding details. Each State is responsible for the particular wheat in that State, and if there is a loss on the wheat in Western Australia the Western Australian growers are responsible. From the inception of the pool it has been arranged that each State shall be responsible for its own

losses and Mr. Hughes has told us so. The telegram to Mr. Hall goes on—

In Western Australia farmers demanding proper representation on executive board. Wool board matters this State under growers representatives control."

Hon. members will remember that in this State the wool growers have the control which we as wheatgrowers are asking for. This is a copy of the reply which I received from Mr. Hall—

Australian Wheat Board will not interfere local management. Still function State Governments decide local management including handling. No obligation make handling State monopoly. Giles confirms.

Mr. Giles is the Commonwealth representative of the Australian Wheat Board and he confirms it. Here is a copy of the wire from the Secretary of the Prime Minister's department—

Your telegram 14th resolution referred to and conditions under which it was proposed that growers should be given guarantees in respect of 1918-19 and 1919-20 harvests, and it cannot be regarded as in any way conflicting with statements made by Prime Minister.

The statement made was that each State would be responsible for the wheat in its own State; it would have to stand its own losses. The Secretary to the Prime Minister said that this cannot be regarded as conflicting with the statements made by the Prime Minister which means that the board can handle its own affairs as it thinks fit. Here is also a copy of the wire from Mr. Campbell, the Secretary of the Farmers and Settlers' Federal Association—

Our Minister Agriculture states definitely no move by Australian Wheat Board interfere with State operations connection with their wheat control. Your co-operative representatives called to-day and suggest I wire you advising our misstatement.

I think members will see from the replies that we know what we are talking about. We think if we have an executive board we can handle the matter more economically.

Hon. H. STEWART: The Honorary Minister instead of giving us some definite evidence against the arguments of Mr. Greig has simply given a denial. The Honorary Minister takes up the attitude that he cannot do it because his colleagues—that is the Ministers for Agriculture of the other States and the Commonwealth representative—decided that they would not permit anything except Government control.

Hon. C. F. BAXTER: That is not correct.

Hon. H. STEWART: That seems to be the gist of the statement which the Minister made to the Press, which in effect was that the Australian Wheat Board had decided that they would not delegate authority to any board in the State but that the Commonwealth would authorise it. An executive board would lighten all the duties; there would be representation there. The representatives of the Federal Farmers' Association who were in conference in Melbourne waited on the Prime Minister and contended that what they wanted was to transfer the operations of the wheat board to

a board of five commissioners, and the Prime Minister in reply to that said that he was in favour of it and would put nothing in the way. For Mr. Duffell's information it is necessary to emphasise that these boards have nothing to do with the shipment of wheat; it is outside the State board and dealt with by the Federal board. The question is, are we going to get more economical administration from an executive board or from the Minister with a department. What is the history of Government control? Wherever we have had Government control, particularly in business concerns, there has been excessive business costs, and that is what the farmers feel. The majority of persons employed in connection with this sub-department are either temporary officers or officers who have been transferred from other departments because there was no work for them in those other departments to do. The Honorary Minister has referred to the existing Advisory Board and has stressed the point that he is working in association with them. The first farmers' representative, Mr. Dean Hammond, had some experience of the Honorary Minister's administration and resigned as a protest, and although the Honorary Minister has asked at least two other representatives of the farmers to go on the Advisory Board they agreed with Mr. Hammond that no good purpose could be served by them joining an Advisory Board after the experience which Mr. Hammond had had. In an interview published on the 18th December Mr. Dean Hammond said—

As a member of the committee, what I specially object to is the delay in giving effect to its decisions. The committee met generally once a fortnight, sometimes oftener, and time after time it would find urgent matters it had decided upon had not been given effect to, chiefly in connection with the millers who had been financing the scheme and who flouted the committee in making payments for wheat, in producing their bonds, in furnishing insurance policies, and in other ways which, by their agreement, they were bound to. Further, information on scheme matters was deliberately kept from the committee which should have been supplied, and while its opinion was asked on trivial matters, important business was done without its being consulted. Last month the Government appointed another board to deal with the wheat scheme and bulk handling, and when I found that that board would not have executive powers, I declined to accept a position on it. My chief reasons were that with the board having executive powers, one would obtain promptness in carrying out decisions, greater efficiency, and a defined policy. As it is there have been three Ministers controlling the scheme at different times since its inception, and with varying policies. The weakest part of the business has been finance. I had difficulty in getting an explanation of large sums spent. In one instance there was a discrepancy of 800,00 bushels, and I found the 1915-16 and 1916-17 pools had been bungled up. Long ago I urged that a balance sheet of the 1915-16 pool should be published. It has not been published. In

view of the above and many other irregularities in the farmers' interests there should be a continuous audit paid for by the scheme, so that any irregularities might be found out and brought before the notice of the farmers' representatives. I am told that the farmers think everything is all right because I am there. I regret it is not so. Hence, I think it proper that they should know the position and why I am unable to continue in a position where one's efforts have very little avail. The wheat is their property; the information is their right. The Minister states the scheme will be able to cope with the consignment as quickly as the Railway Department can deliver the wheat, but he must consider for a moment if the Railway Department will be able to receive the grain from every wheat grower in the State wishing to rail it away to the depots at the same time.

The Railway Department have not been able to lift the wheat. The department under the Minister and the wheat marketing sub-department have not been able to do so; they and the Railway Department have not been able to lift the wheat and get it into the sheds by the time the Minister said it would be there, the 30th April.

The trucks the wheat will be railed in are the same trucks now being used for supplying weevil wheat to the millers, and the new wheat will carry the weevils direct to the depots to start their work of destruction.

Thus a number of reasons are given for the appointment of such a board. Broken control ought to be avoided, and the board would mean continuity of policy. The responsibility of the Westralian Farmers, Ltd., ends when the wheat reaches the depots. After that, someone else has to be responsible. Would not an executive board, representing all interests, including the Government, afford the best safeguard for all concerned?

Hon. C. F. BAXTER: The numerous telegrams passing backwards and forwards, East and West, have no bearing on the question, and are, indeed, misleading. The guarantees were given subject to the Commonwealth and States Governments retaining control of the scheme and being responsible therefor, and the Governments will not delegate their powers to any executive board. Moreover, the proposed executive board would not give the farmers any better representation. All the wheat growers are not members of the Farmers' and Settlers' Association, and the wheat growers outside that body are entitled to representation. Why should a representative of the Chamber of Commerce be on the board, any more than a representative of the Trades Hall? And, by the way, a representative of which of the Chambers of Commerce of this State?

Hon. J. A. Greig: The amendment states which Chamber of Commerce.

Hon. C. F. BAXTER: It has not been shown how the board would secure more economical management. The board's fees would represent a considerable amount annually. And where are we to find a board consisting

of men with technical knowledge of the wheat business? I fail to see where an executive board would effect any improvement whatever. As regards the wool growers having control of their pool, there is this important difference, that the wool growers have not been financed by any Government. I should be extremely glad to do as Mr. Sander-son suggests, and delegate some of my executive duties, could I only see my way to it. Some of the inspectors' reports which I looked over only to-day are not very favourable to the Westralian Farmers, Ltd., as acquiring agents. Mr. Greig said he had been kept in the dark on certain matters; but that is not true.

The CHAIRMAN: The hon. member must not use that expression in regard to another hon. member's statements.

Hon. C. F. BAXTER: I withdraw; but I will say that any hon. member is entitled to obtain information from the wheat scheme office. I do not remember the statement having been made that all the wheat would be got in by the 30th April; but let hon. members bear in mind that the Government have had two strikes to contend against, the lumpers' strike and the coal strike.

Hon. R. J. LYNN: The coal strike lasted two days.

Hon. C. F. BAXTER: Quite so; but its effects on the wheat scheme were felt for weeks. Mr. Hammond's main reason for retiring from the board was that we were not proceeding fast enough with the bulk handling scheme. However, I was then pushing the scheme forward. All his other statements were refuted in the Press the next day. In any case, they did not refer to the present Administration. Whether they were correct or not, I am not prepared to say.

Hon. Sir E. H. WITTENOOM: The statements to which we have listened have been so conflicting that I must throw myself upon the sympathies of both sides of the Committee. I am in favour of a local executive board, though perhaps not one constituted quite as suggested by the amendment. Probably a local executive board would carry out the business satisfactorily and advantageously. But what is the use of our proceeding to discuss a board of that kind when, if the Honorary Minister is suitable for his position and his word is worth anything, the Federal authorities decline to recognise any executive board? In the circumstances, I fear, I cannot vote for the amendment.

Progress reported.

Referred to Select Committee.

Hon. R. J. LYNN (West) [5.15]: I move—

"That the Bill be referred to a select committee consisting of Mr. Allen, Mr. Greig, and Mr. Hamersley, the committee to have power to send for persons, papers and documents, and report on Tuesday, 4th June."

I move this because, when the original Wheat Marketing Bill was before the House, the Honorary Minister was not here, and I considered at that time that the Bill, which was practically of a private nature, should then

have been submitted to a select committee before any agreement was entered into. Since then we have had a very full discussion. The Government have had the right under the Wheat Marketing Act to enter into an agreement with the Westralian Farmers, Limited. Under that a wheat marketing agency has been entered into; so a select committee appointed to investigate the general terms and conditions of the Bill will in no way interfere with the present wheat marketing acquiring agency agreement, inasmuch as the terms and conditions of the agreement have been entered into and operations have proceeded thereunder. It is now simply a question of this House ratifying the agreement which has not only been entered into by the respective parties, but which, as a matter of fact, has been put into operation, inasmuch as the West Australian Farmers, Limited, have already proceeded to carry into operation all the conditions of the agreement, have acquired the wheat and had it stacked at the various depots. We have in connection with this measure the Honorary Minister, who is a member of the Westralian Farmers, Limited, a shareholder, so it is said, and the Minister controlling this department is responsible, of course, to Parliament for the agreement, and is also a direct representative of the farmers' association. In addition to that we have had here this afternoon other members of the Country party who sit, I take it, at the same conference with the Honorary Minister, and the conflicting statements made here this afternoon fully justify my action in asking the House to send the Bill to a select committee. There are many matters relative to the Bill and to the agreement which in my opinion should be seriously considered. For instance, the agreement, as shown in the schedule, is quite foreign in nature and in principle to any previous agreement. I notice one clause in the agreement limiting the liability of the Westralian Farmers, Limited, to one farthing per bushel. That provision does not appear in any previous agreement. In addition to that we have the statements made by the Honorary Minister this afternoon, statements which are most damaging to the Westralian Farmers, Limited. We were told by the Honorary Minister that the reports to date are not very favourable respecting the Westralian Farmers, Limited, as acquiring agents. The Westralian Farmers, Limited, have, as we know, come into existence of recent date. They consist of a number of subsidiary companies in the country, established ostensibly on a co-operative principle and affiliated with the Westralian Farmers, Limited. Prior to this organisation coming into operation the wheat marketing of this State was controlled, or rather the wheat was acquired, by a number of firms.

The PRESIDENT: In regard to this motion, which I might say is most unusual, we must follow the practice laid down by "May" in "Parliamentary Practice." In that "May" says:—

In a motion of this kind debate must be restricted to the effect of the reference of the Bill to a standing committee, or its ex-

pediency, and general debate on the merits or clauses of the Bill is not permitted.

I ask the hon. member to move his motion, have it seconded, and so put it before the Council.

Hon. R. J. LYNN: I have already moved the motion. My reason for doing so is because of the conflicting statements we have heard this afternoon respecting many of the details relative to the Bill, as well as to the interpretation of many of the clauses contained therein. I think it would remove from the minds of many members difficulties which have arisen as the result of the discussion this afternoon. We have heard from the Honorary Minister—

The PRESIDENT: I must ask the hon. member to remember the practice. General debate on the merits or clauses of the Bill is not permitted. I think the hon. member has said sufficient for his purpose.

Hon. R. J. LYNN: Well, I will say no more.

Hon. A. SANDERSON (Metropolitan-Suburban) [4.27]: I second the motion.

The COLONIAL SECRETARY (Hon. H. P. Colebatch—East) [4.28]: I do not intend to offer opposition to the motion, but I think it desirable that I should explain what its effect undoubtedly will be. Probably one or the most important witnesses which this select committee would desire to examine is the general manager of the wheat marketing scheme, who is at the moment out of the State and will not return until the 12th June. It is not the desire or the intention of the Government, nor do I think it is the desire of members, that Parliament should be prolonged to that date. However, in order to offer effective opposition to the motion, it would be necessary for me to satisfy hon. members that it is of immediate urgency that the Bill should be passed during the present session. I am not in a position to do that, and therefore I cannot raise that as an objection to the motion. When a Bill of the same name was passed in the early part of the session, before we adjourned over Christmas, it gave the Government power necessary in respect of the harvest of 1917-18. I then assured hon. members that a Bill would be submitted embodying the agreement. This Bill is the result; and it incidentally extends the power of the Government to the harvest of 1918-19. Should this Bill not pass in the present session, in the next session it will be necessary to have a Bill covering the harvest of 1918-19. Consequently if hon. members think that they are not in possession of all the facts, if they desire that the Bill be referred to a select committee, and if the committee is to get the information which such a committee ought to get, it is highly probable that the Bill will not be completed this session, as it has not yet been before the Assembly.

Question put and passed.

BILL—HEALTH ACT AMENDMENT.

Assembly's Further Message.

Message received from the Assembly notifying that it had agreed to the amendment made by the Council.

BILL—GENERAL LOAN AND INSCRIBED STOCK ACT AMENDMENT.

Request for Conference.

Message received from the Assembly requesting that a conference be granted respecting the disagreement of the Council to the further amendment made by the Assembly; and notifying that the managers for the Assembly would be Mr. Gardiner, Mr. Robinson, and Mr. Collier.

The COLONIAL SECRETARY (Hon. H. P. Colebatch—East) [5.31]: I move—

“That a Message be transmitted to the Legislative Assembly agreeing to the conference and that the Hon. Sir Edward Wittenoom, Hon. A. Sanderson, and the mover be appointed managers on behalf of the Legislative Council, and that the conference meet in the President's room at 5 p.m. tomorrow.”

Hon. A. SANDERSON (Metropolitan-Suburban) [5.33]: I do not think the leader of the House can have appreciated the fact that the amendment in question was moved by Mr. Kirwan. I am perfectly willing to retire in favour of that hon. member, and unless the leader of the House wishes to the contrary I think the hon. member should be there.

The COLONIAL SECRETARY (Hon. H. P. Colebatch—East) [5.34]: I have no wish at all in the matter. I merely nominated the same members who were appointed to draw up reasons for disagreeing with the decision of the Assembly. I should be just as ready to see Mr. Kirwan one of the managers as Mr. Sanderson.

Hon. J. W. KIRWAN (South) [5.35]: I thank Mr. Sanderson for referring to this matter, but as he was one of those who were appointed to frame the reasons for objecting to the Council inserting the amendment, I think it is better that his name should remain. I would prefer the original motion to stand.

Question put and passed.

BILL—DIVIDEND DUTIES ACT AMENDMENT.

In Committee.

Resumed from the 23rd May. Hon. W. Kingsmill in the Chair; the Colonial Secretary in charge of the Bill.

Clause 10—Exchange of information:

The CHAIRMAN: Progress was reported on Clause 10.

Hon. A. SANDERSON: My desire is to see this clause struck out. Hon. members will see a good reason for doing so in the statement of the Colonial Treasurer which appears in this morning's paper. It seems to me dangerous to deal piecemeal with the financial relationship of this State and the Commonwealth, as this clause does. A deputation from the Municipal Conference waited on the leader of the House on the question of the future financial management of the country, and suggested that a development later on should be that the municipal councils, rather than the Taxation Department, should handle the collection of this money. In view of the circumstances, the Treasurer's statement, and the importance of

this matter, having regard to all the issues at stake, it would be foolish on our part to pass this clause.

The COLONIAL SECRETARY: A great deal has been said which has no connection with the clause. It has not the remotest concern with the financial relationship between the Commonwealth and the State. It merely provides for the exchange of information between the State Taxation Commissioner and the Commonwealth Taxation Commissioner in some cases, or between the State Taxation Commissioner and the Taxation Commissioners of the Eastern States in other cases. It is inserted as a result of an understanding arrived at between the different Governments with the idea that each Government should make sure, most readily, of getting the taxation to which they are entitled. All that it provides is that when the other party—the Commonwealth or the State—decides on some similar arrangement, that then it should be possible for the Commissioners of Taxation to exchange information.

Hon. J. NICHOLSON: I agree that the clause has no relationship as to the financial standing of the State with the Commonwealth, but I recognise the danger of creating a system which we desire to see discontinued for the sake of economy and the wise regulation of our own affairs. It has been said that the Government intend to arrange with the Commonwealth that in future, in order to save the cumbersome process and the laborious nature of the returns which are demanded from taxpayers in this State, there should be some combination of State offices with the income tax Commissioners, that the assessments which are made should issue from one office, and the returns which are made by taxpayers should be confined to one return, so that the assessment which would follow would be made on the basis of that one return. It is the right of the States to ask that they should do the necessary work in connection with the returns not only of the State but of the Federal Government. If such an arrangement were made, it would have the effect of giving to the Commissioner the fullest information in regard to Federal and our own State taxation returns. My reason for objecting to the clause is that it would have the effect of perpetuating the trouble to which taxpayers are now put.

The COLONIAL SECRETARY: Even if we had merely the one Taxation office to collect both Federal and State taxes, this clause would still be just as necessary as it is now. If hon. members see any objection to the taxation authorities of the different States interchanging information, in order to protect the revenue of the States, by all means let them vote against the clause. I quite agree that there should be one taxation office, but to vote against the clause because that does not appertain is not a reasonable attitude.

Hon. J. DUFFELL: Last year a conference was held in Melbourne consisting of the Taxation Commissioners and the Deputy Taxation Commissioners of the Commonwealth, and it seems to me that this clause is the outcome of this conference. It is for the purpose of interchanging secrets, in which these officials are all concerned in the course of carrying out

their duties. The Colonial Secretary tells us that the clause will not have the slightest effect, even if the office of the Commonwealth Deputy Commissioner of Taxation is done away with. That office has a staff resembling a swarm of bees, and nearly every member of the staff is a temporary hand. If these people are to be allowed to get hold of secrets from the State and elsewhere, we do not know where we shall end. Whenever the State has sought to bring anything under the notice of the Eastern States we have been practically told to go back and mind our own business. The Treasurer has made no impression in the Eastern States, and the Chambers of Commerce at their conference in Melbourne some time ago paid no heed to the representatives of Western Australia, and everything which is of vital importance to this State and which has been brought up for consideration at conferences held in the other States has always met with a cold reception. The clause can well afford to be deleted, and when the time comes when we shall have the whole of the taxation proposals under discussion, and when there will be a possibility of getting one office and a permanent staff, then I shall be prepared to give consent to a suggestion such as that embodied in Clause 10.

Hon. J. W. KIRWAN: I have tried to follow the objections of the hon. members who have found fault with this clause, but I have utterly failed. Mr. Duffell has referred to friction which occurs between the taxation offices, but that is no argument against the clause, and I have tried hard to follow Mr. Sanderson, who has read something into the clause which I cannot see there. I think the clause is an improvement to the Bill and I will support it.

Hon. Sir E. H. WITTENOOM: The clause seems to me to be a very harmless one, and were I convinced otherwise I would vote against it.

Hon. J. J. HOLMES: It will not matter very much whether we delete the clause or not. I know that there is an exchange of information between the Federal and State offices, even though there is no authority for it, but it simplifies their work.

Hon. A. SANDERSON: There is nothing easier in this country to trace in connection with taxation than the dividends which are paid by companies.

The Colonial Secretary: It would be easy if this were merely a proposal to tax the dividends of companies, but it deals with the profits of companies.

Hon. A. SANDERSON: If we allow the Federal taxation people to get into communication with the State taxation office, it will be the first step towards the abolition of State rights. I want to see Western Australian rights protected.

Clause put and passed.

Clause 11—Increased duty to be payable on profits from 1st January, 1917:

The COLONIAL SECRETARY: I move an amendment—

“That in line 2 of Subclause 1 the word ‘January’ be struck out and ‘July’ inserted in lieu.”

It is necessary to remind hon. members of the Act to amend the Land and Income Tax Assessment Act, 1907, which was passed in 1917. That Act was passed for the purpose of making the year of assessment uniform with the year of assessment by the Commonwealth. Prior to the passing of that Act, the Commonwealth year of assessment was from the 1st July to the 30th June, and that stood as the year of assessment on which the tax in the following year was paid, whereas, the State period was from the 1st January to the 30th December, and that stood as the year of assessment on which the tax in the financial year then half expired and expiring on the 30th June, was paid. By the Act of 1917 we came into uniformity with the Commonwealth. Our returns now are made up from the 1st July to the 30th June, and it is on that year's income that the tax is paid for the following year. When that particular Bill was before this House there was a long debate on the assumption on the passing of the Bill that it would compel people to pay two taxes in one year. I appealed to hon. members to pass the Bill in the form in which it stood because I was satisfied it was the right thing to do. I explained that all it proposed to do was to bring about uniformity with the Commonwealth in regard to the year of assessment. I also asked hon. members on this point of the payment of a double tax, whether income tax or land tax, that it should be dealt with in the Taxation Bill itself. Although I appealed to hon. members to take that course, I was unsuccessful and the Committee inserted a proviso as Section 8 reading—

“Provided that the first assessment under this Act shall be based on the income for the half year ending 30th June, 1917, and shall be for six months only and one half the exemptions and reductions provided under the principal Act shall be allowed.”

I contested this amendment even to the extent of saying I did not see how the Government could possibly accept it. However, it was accepted in another place and it became law. Had the Committee done as I suggested and let the Bill, which was purely a machinery Bill, go through as it was framed, and then if the Taxation Bill made the necessary provision to protect the taxpayer, it would have been all right. The effect was that the proviso protected the payer of income tax, but when the Taxation Bill itself came along, no amendment was made and consequently the payer of the land tax was not protected; with the result that the payer of land tax had been called upon to pay three years' taxation in 2½ years. In view of this, and the serious financial position of the State, and in view of the fact that the new Taxation Bill was introduced so late, it was thought a fair thing to embrace in the tax on incomes the provision of the double tax for the year. If that is done the income tax would have been paid double, the land tax

is already paid double, and now the payer of the tax under Dividend Duties Act will be placed in the same position. In the Income Tax Bill provision for the double tax for the year was not made, consequently it is proposed to strike out the provision in the Bill, so as to place the taxpayer on the same scale as the payer of income tax. A short Bill has been drafted, and will be submitted shortly; in fact, it may have been introduced in another place to-night, which aims at equalising matters. I move an amendment—

“That in line 2 of Subclause 1 the word ‘January’ be struck out and ‘July’ inserted in lieu.”

Hon. J. W. KIRWAN: This amendment will make the tax retrospective and I think retrospective legislation is objectionable, especially in regard to taxation, and more particularly in regard to dividends, for dividends may have been distributed in connection with a company which in the meantime may have gone into liquidation and nothing has been left with which to pay the tax. I think, therefore, it is objectionable to have legislation of this kind. I had given notice of an amendment to alter the date from 1917 to 1918.

Hon. Sir E. H. WITTENOOM: That would mean losing six months’ revenue.

Hon. J. W. KIRWAN: The Government may lose six months’ revenue, but in a matter of this kind it is not so important as to prevent retrospective legislation.

The COLONIAL SECRETARY: So far as the payer of income tax is concerned he pays on his income from the 1st July, 1917, to the 30th June, 1918, and I do not see why companies should not be placed in the same position. If the hon. member’s amendment is carried, it would mean that there would be different years for private individuals and for companies.

Hon. A. SANDERSON: The Government want money, and I see no objection to letting them have it, but I want an assurance from the Minister that if we pass this the reconsideration of dividends and income taxes and the whole business will be brought up next session, that we shall have the whole matter put on a proper basis.

The COLONIAL SECRETARY: I have already given the assurance, and I am quite prepared to repeat it.

Amendment put and passed.

The COLONIAL SECRETARY: I move an amendment—

“That in line 2 of Subclause 2 the words ‘31st day of December’ be struck out, and ‘30th day of June’ inserted in lieu.”

Amendment put and passed.

The COLONIAL SECRETARY: I move a further amendment—

“That in line 4 of Subclause 2 the word ‘January’ be struck out and ‘July’ inserted in lieu.”

Amendment put and passed: the clause as amended agreed to.

Clause 12—agreed to.

New clause—Life Assurance companies:

The COLONIAL SECRETARY: I move—

“That the following be added to stand as Clause 9:—9. A section is hereby inserted in the principal Act, and shall have effect, as follows:—8a. (1.) Every life assurance company shall—(a) on or before the first day of September in every year, or within three months after each of its annual balancing days, forward to the Commissioner of Taxation a return in the prescribed form stating the amount of interest on its investments received by the company during the year ending the thirtieth day of June next preceding or ending on such other balancing day, verified by statutory declaration; and (b) pay to the Commissioner of Taxation, as from the first day of July, one thousand nine hundred and seventeen, as duty a sum equal to one shilling and threepence for every twenty shillings of interest so received. (2.) Notwithstanding paragraph (2) of Section 19 of ‘The Land and Income Tax Assessment Act, 1907,’ a life assurance company shall be exempt from income tax under that Act, in respect of interest on investments received on and after the 1st day of July, 1917.”

The object of this is to bring life insurance companies under the Dividend Duties Act. In the past life insurance companies have paid in the same way as is now proposed, on their investment incomes as ordinary taxpayers. If the amendment were not inserted the life insurance companies would be left under the Income tax, and they would be required to pay on investment incomes at the rate of 2s. 6d. in the pound. In some of the States of the Commonwealth, and I believe in other parts of the world, life insurance companies are exempt from taxation altogether. The Government are not in a position to do that here, but it is not our desire to place on them so heavy a taxation as 2s. 6d. in the pound. At the present time they are paying less than 1s., and 1s. is the maximum. They are paying a little less than the ordinary companies are paying under the Dividend Duties Act, and it is now proposed to place them on the same scale as ordinary companies, and they will pay their 1s. 3d. in the pound.

Hon. J. NICHOLSON: I concur in the new clause, but I suggest the addition of two or three words to make the position clear. I move an amendment—

“That at the end of paragraph (b) the words, ‘subject to the deductions under this Act or the Land and Income Tax Assessment Act’ be inserted.”

Sitting suspended from 6.15 to 7.30 p.m.

Hon. Sir E. H. WITTENOOM: What does Mr. Nicholson’s amendment mean?

Hon. J. NICHOLSON: Under Section 19 of the principal Act income from investments is taxable in the case of life assurance companies. The Colonial Secretary has explained the position in view of the differentiation between taxation in respect of income, and taxation in respect of company profits. In arriving at the profits of a company, certain deductions are made with a view to ascertaining what the profits actually are; and as regards these matters I am seeking to

place a life assurance company in the same position as an ordinary company.

Amendment (Hon. J. Nicholson's) put and passed; the new clause, as amended, agreed to.

New clause:

The COLONIAL SECRETARY: I move—

“That the following be added to stand as Clause 10:—‘Section 5 of the Dividend Duties Act Amendment Act, 1914, is hereby amended by inserting after the words ‘Section 5’ the words ‘or Section 8a.’”

This is really a consequential amendment.

New clause put and passed.

Bill reported with amendments.

Recommittal.

On motion by the Colonial Secretary, Bill recommitted for the purpose of further considering Clauses 2 and 6.

Hon. W. Kingsmill in the Chair; the Colonial Secretary in charge of the Bill.

Clause 2—Amendment of Section 2:

The COLONIAL SECRETARY: I move an amendment—

“That the following be added to the clause:—‘except in respect of interest on its investments.’”

This will bring companies' interests within the scope of this Bill.

Amendment put and passed; the clause, as amended, agreed to.

Clause 6—Amendment of Section 18:

The COLONIAL SECRETARY: Clause 6 of this Bill deals with Section 7 of the principal Act. I move a consequential amendment—

“That the following be added to Clause 6 to stand as Subclause 7: ‘by adding to Subsection 3 the following words: ‘or Section 8a.’”

Amendment put and passed; the clause, as amended, agreed to.

Bill again reported with further amendments, and a Message accordingly forwarded to the Assembly requesting them to make the amendments, leave being given to sit again on receipt of a Message from the Legislative Assembly.

BILL—LAND AND INCOME TAX ASSESSMENT ACT AMENDMENT.

Second Reading.

Debate resumed from the 23rd May.

Hon. Sir E. H. WITTENOOM (North) [7.44]: With your kind permission, Mr. President, I propose, before proceeding to discuss this Bill, to address a few words of welcome to the newly elected member for the Central Province, Mr. Mills. His election recalls to me old and pleasant memories, because in the nineties I represented that province for four years, and it gives me special pleasure to welcome to-night Mr. Joshua Mills. Mr. Mills belongs to a family that has been associated with the Central province and the Geraldton district from the very early days, and has contributed very largely to its development. That family has

extended its tendrils to such an extent that it now embraces several of our leading pastoralists. On behalf of hon. members I say to Mr. Mills, “We welcome you here; we are glad to see new blood, and we hope that you will help to carry on the debates with the intelligence and ability that have so long characterised this Council.” But in the midst of these congratulations there is a tinge of regret. We have lost from amongst us one who has been here a great number of years. I refer to Mr. Drew. We all liked him. He was friends with us all, and he made his mark in this House. He conducted the work that fell to his lot with ability, and although separated from me in political views he was always a man of moderation, showing respect for the views of those opposed to him. He will be a loss to us in our debates. We recognise that all views have to be represented in this Chamber, and however much some of those views are opposed to ours, it is well to have them represented by really good men. I think nobody could have better put forward the views he represented than did Mr. Drew. I cannot understand how it was that he did not come back, except that perhaps he made promises to societies or to parties which could not well be carried out, instead of pinning himself only to his platform speeches. However, I once more desire to congratulate Mr. Mills on his election, and in referring to Mr. Drew I cannot think of anything more fitting than the ancient aspiration “May he rest in peace.” Turning to the Bill, it is undoubtedly one of the most important we shall have to discuss. I trust I shall have your permission, Sir, to extend my remarks to the Bill authorising taxation. If it were possible to suggest anything in the nature of an improvement in respect to the leadership of the House it is that we might have been given the second reading of the other taxation measure before we discussed this any further. We should then have both Bills before us. However, I have taken the trouble to read through this one. It is very short, and I think it would be impossible to discuss the one without trespassing on the contents of the other. Moreover, I am certain that, by adopting the course proposed, we should have saved a lot of time and, instead of having two second reading speeches, we can make the one so comprehensive that it will include all we desired to say in regard to the other. Mr. Holmes, the other evening, made some excellent suggestions with regard to economies, many of which have my cordial approval. Whilst I am prepared to go with him to the extent of reducing the number of members of Parliament, I can see some difficulty in carrying it out. It might be arranged in regard to the Council, but it would not be so easily effected in respect of the Assembly, because it would mean in that case a redistribution of seats, and with so many voters out of the State I scarcely think a redistribution could be justly and fairly undertaken at the present time. Therefore, I think the Government would hesitate before adopting the

suggestion made by Mr. Holmes. Whilst I am in accord with Mr. Holmes in reducing the number of members of Parliament, I cannot agree with his proposal to lower salaries. I think the present salary is quite small enough for a member of Parliament who has no other income. We know there are members of Parliament who have no income from any other source and therefore, with the calls made upon them, the salary is as small as it should be. So long as we have all parties represented here we require to give them the freest selection possible, and not have any restriction to the selection of their representatives through any question of money. To whatever extent members of Parliament might be reduced in number, I think there should be no reduction of the salary. Whilst discussing this question of salaries, I think a great many members receive their emoluments under some misapprehension. Many are of opinion that the salary paid to them is in return for their representing their particular views and platforms. It is nothing of the kind. That would happen if there were no payment of members, and if each party sent in their representatives and found the money for them. But under existing conditions the member of Parliament is paid by the State, and in those circumstances his first object should be the advancement of the State, and not of the party who have sent him here to represent them. He is not sent here as a delegate, but is sent to advise the Government as to the best way of ruling the State, and that should be his first idea. In many cases, I am afraid, members regard themselves as delegates from their respective parties. I come now to the question of Honorary Ministers. Here I am thoroughly in accord with Mr. Holmes, because I think they are both unnecessary and an extravagance. Years ago, when I happened to be connected with a Government, there was no such thing as an Honorary Minister. I feel certain the reason for the appointment of Honorary Ministers is to give the Government greater influence and enable them the longer to continue in their seats. Take the present position. We have six members of the Government and three Honorary Ministers. That means nine votes. Then, very often there are the appointments of two Chairmen of Committees who probably would not be unfriendly to the Government in any question of division. That brings the number up to eleven, and had the proposals of the Labour party been carried we should have a public works committee of five, which would give the Government in all 16 votes.

Hon. W. Kingsmill: I rise to a point of order. The hon. member appears to forget that the appointment of Chairman of Committees in this House does not vary with the party. The Chairman of Committees in this House carries his office as long as he behaves himself. It is not even necessary to appoint a Chairman of Committees from Parliament to Parliament and session to session. I trust the hon. gentleman will make what amends he can.

Hon. Sir E. H. WITTENOOM: Present company always excepted.

Hon. W. Kingsmill: That is not the point.

Hon. Sir E. H. WITTENOOM: Well, even with the exception of one, this would give the

Government a sure support of 15, a very solid number to have on one side, always receiving benefits, which would scarcely induce them to be hostile to the Government. I am quite sure that has something to do with the introduction of Honorary Ministers. I can give my experience illustrating how business can be conducted without Honorary Ministers. Beginning in 1894, I was a member of Government for 3½ years. When I joined I accepted three portfolios, namely Minister for Mines, Minister for Education, and Minister for Posts and Telegraphs. I can hear somebody say, "There was nothing to do in those days." Let me assure members that there was more work then in a week than there is now in a month. It was at a time when people were coming into the State in thousands. The goldfields were developing. There was more work in the Post and Telegraph Department, in the schools, and in the Mines Department. There were no Honorary Ministers then. Not a penny of my salary went to help a whip or an Honorary Minister. I conducted those three departments for two years, and in addition for nearly four years I occupied the same position in the Council as the leader of the House does to-day, and I had no Honorary Minister to help me. Moreover, at one time I had six lawyers in the House ready to criticise the Administration, and had it not been for a little diplomacy in setting one against the other, I do not know how I could have got the business through. I am trying to show that in the light of what has happened in the past it is not absolutely necessary to have Honorary Ministers. A year and a half afterwards I was relieved of the Education Department, although carrying on the rest, the reason being that Sir John Forrest was away very often and in consequence I was constantly taking on the position of acting Premier. What I want to emphasise is that Mr. Holmes struck the right nail when he said that it was unnecessary to have these Honorary Ministers. The proof of it is that during an unparalleled time of development and of work, when people were coming into the country faster than ever before or since, one Minister had to administer three departments, and the work was carried on without assistance from Honorary Ministers. If one asks how did I do the work, I can only refer them to the leading articles which appeared in the "West Australian" when I left the State to take up the Agent Generalship. The economies which Mr. Holmes has suggested may not amount to very large sums, but they might have a very great influence on other people and induce them to be economical. I often hear the cry, "Why not begin at the top, at Parliament itself?" These economies might lead up to something, but they are comparatively negligible as compared with what we require, namely not only large economies, but to secure sufficient revenue to enable us to carry on within our means, so that revenue and expenditure will almost balance. I intend to propose an amendment which I hope will have the effect of bringing in a little money, in fact I propose to submit three amendments as follows:—1, That there shall be no exemptions whatever; 2, That every person whose name is on the electoral roll shall send in a return; and

3, incomes up to £50 to pay 10s. a year, and up to £100 to pay 20s. a year. I believe that these amendments will make some considerable difference to the revenue of the country. I am going to show that at present there is a large number of people in this State who pay little or no revenue towards this State. I think that everyone should pay a little so that they will at all events feel their responsibilities. There is a large number who pay no tax in Western Australia, and yet every one has a vote under the present condition of affairs. There is an exemption of £200 for all taxpayers. That £200 will probably represent £5 a week, and taking sickness, holidays, and one thing and another into consideration, this £5 a week would probably net not more than £200 a year. Therefore, everyone who earns £5 a week or less would pay no income tax at all. It follows that they would hardly pay any land tax either, and no wheel tax, and very few rates, and therefore none of their incomes would be going to the State Government. But their tax would be through their clothes, their tobacco, and their drink. Unfortunately for Western Australia the proceeds of the customs duties go to the Federal Government, so that the people drawing under £200 a year, who form the majority of those in this State, do not contribute to the revenue of the State. I asked a question in the House not long ago as to how many people paid direct taxation in this State, and the reply was, about 14,000. If we take the number of women who are on the electoral roll and have votes, we know that very few earn over £200 a year, so that the majority are exempt, while all the time they have a vote. It hardly seems reasonable that this should be so, but it is the case. All we get back from the Federal Government is 25s. per head with an additional amount, which is a sort of dole and may stop at any time. This 25s. per head amounts to about £400,000 a year, not the amount of the extra interest and sinking fund brought into existence by the extravagance of the late Scaddan Government, I understand, as a result of borrowing money, and the expenditure connected with it, amounting to something like £600,000. We get returned to us from these people who pay nothing to the State by way of taxation £400,000 which does not amount as I say to the rate of interest and sinking fund that I have mentioned. Against that we are paying something like 1½ million pounds still for interest and sinking fund. All these people who pay no tax have a vote, and have the power to make other people pay a tax. Under the circumstances I do not think anyone could reasonably say that the time has not arrived when everyone should pay a little. We are all aware of the state of the finances in Western Australia and must agree that the Government require as many contributions of money as possible. In these circumstances no one who is entitled to a vote will feel the loss of 10s. or £1 a year even if their salary is only £50 a year. I am also certain that no one earning even £100 a year would feel the loss of £1 a year. These people would then

realise that they were contributing in a direct way towards the taxation just like anyone else. What is their feeling now? It is one of absolute independence. They do not care what tax is put on, or what they vote for, because it does not affect them as their incomes are under £200 a year. My proposal is that everyone who has a vote should pay something, and that everyone should make a return whose name is on the electoral roll. I saw a remark, which was made in another place, that any person who got less than £1 a week should pay no tax. If that is recognised as a principle, to be agreed upon, surely we can say that if people pay no tax, they will not want a vote. The old principle was taxation and representation, and now we have representation and no taxation. Therefore, I do not think anyone could consider this suggestion unfair, and one to which he could take exception. I should be glad to hear any remarks made which will show that I am wrong in bringing this proposal forward. The more I think of it the fairer does it appear to be. This expenditure, and the bulk of the borrowed money, was utilised amongst those who work, as well as amongst those who manufacture, and it is only fair that now the former should pay a little of it back. No person who is unprejudiced and goes about the streets of Perth, and sees how people dress and live and enjoy their amusements, could help thinking that no one would miss 10s. or £1 a year as a contribution towards the revenue. I cannot impress too strongly upon this House that the times has arrived when everyone should contribute something towards the expenses of the State. I would just like to say a few words about land tax. We see it stated continually—I have seen it used as an argument by late members and candidates for election—that we should run the railways or a tax on all lands that are alongside of them, that we should lower all freights, and make the land pay for the railways and all sorts of things of that description. It is the general idea that the land should be taxed to pay for the railways. This sets one thinking. I have recently travelled all the way from Bridgetown to Yalgoo in the north, nearly up to Nannine, and looked most carefully at the land on both sides of the line. The general and prevailing idea of those who have not studied Western Australia, except superficially, is that all the land alongside the railways, which is not occupied, is held in order that the owners may get an unearned increment, and that all the owners have to do is to sit by whilst it grows into money. Let me disabuse hon. members' minds of that idea. Throughout the whole of the length of that trip I can safely say that there was not 1,000 acres of unutilised and unoccupied land which I would take as a present, and I do not think anyone else would. A lot of it is not owned by private individuals, and I am quite certain that if they did own it, they would be glad to get rid of it. I ask anyone to look at the land along the line between here and Bunbury, for instance. It is not land upon which people could make any money at all, or land which they make any use of. The

idea is to tax this land so that the Government may make the owners pay for all these expenses, and this to my mind amounts to pure confiscation. Those who have this land have obtained it by legal means. They did not rob the State of it, and they have a right to consideration. If they are taxed unduly it amounts to nothing else but confiscation, because they will be unable to pay the tax. If the politicians, or the Government, think that the land is of such great value that people are holding it in order to get the unearned increment, let them take the proper course and resume it in the interests of the State, and let them have it valued by arbitration. The Government can then see whether the land could carry this burden or not. Of course, we know that the land is patchy, and that the best of the patches have been taken up, but there is not one piece of this unutilised land that I would take up if it were given to me. We only want to deal fairly in these matters. We are all looking to the land to bring about a redemption of our financial position. Everyone is talking about settling people on the land and yet we have heard arguments that this tax should be imposed on the land. One would think there was no tax on it already. We have land taxes. In addition, everyone in the country has to pay roads board taxes, and I expect people in the City have to pay municipal taxes. There is also the water supply and sewerage tax, and probably some other taxes as well.

Hon. J. J. Holmes: There is the vermin tax.

Hon. Sir E. H. WITTENOOM: We will get that presently. The land is already heavily taxed. Then we must look at the matter in this way, that if we tax too heavily the people will not be able to work the land. Here we have this unearned increment talked about. How much of the land in Perth is held to-day by the original holders? How are we going to get at the unearned increment in order to tax it? I know of land in Perth which has changed hands at £400 a foot. Which individual are we going to tax, the man who bought it at £400 a foot, or the previous owner? My object in making these remarks is to show that it is futile to think of running the railways and other departments of the Government with the idea that the land, which is unused alongside the railways, is so valuable that it is being held in order that it may grow to still greater value, and that the owners may derive some unearned increment from it. We are fully taxed as it is by the land tax, and those people who are on the land have to pay quite enough if they are going to make anything out of it. Speaking some time ago in connection with the Estimates I showed where I thought economies could be effected. I feel confident that with a little care economies could be effected to the extent of £200,000 a year, and that with the addition of that for which the Government are now taxing the people, and with the amount that would be derived under my proposal, which I hope would bring in about £100,000, very considerable assistance could be rendered to the Government. Anyway, I hope that economy will be studied. We are now in a serious position and I hope the Government will do their best to keep their expenditure within their revenue.

I have much pleasure in supporting the second reading of the Bill.

Hon. W. KINGSMILL (Metropolitan) [S.15]: I am pleased to have the opportunity of addressing myself to what may be termed the underlying principles of taxation. It seems to me that for this year and next year and for many years to come, taxation will be one of the greatest problems that every community throughout the world will have to face, and in my opinion there are two qualifications for which any measure imposing taxation must be examined, to discover whether they exist within that measure. Firstly it must be found whether the tax is justified, and secondly it must be ascertained whether the tax is equitable. Let us deal first with the justification for the taxation which is being proposed by the present Government. I understand that a promise was given some time ago—I do not remember the circumstances under which it was given—by the Colonial Treasurer, who, I suppose—although recent evidence leads one to doubt the fact—is the originator of taxation for this State, that he did not propose to tax the people until due measures of economy had been carried out and put into practice. If we examine the career of the present Government we shall undoubtedly find that in this respect they have most signally failed to carry out the promise given for them by the Treasurer. The present Government have so little regard for the advice or protest of the Treasurer, as to tear to pieces in five minutes, so to speak, the work of taxation brought forward by him, and which he assured another place had taken him six months—they disregard his advice so much in that particular that they can afford to disregard the promise which he gave to another place and to the people of this State. What economies have been carried out? In the sense of true economy, so far as I can see, none. Economies such as will suffice to meet the present financial position do not consist in sacking the office boy, even though you gain valuable suggestions from that little gentleman, as suggested by my friend, Mr. Holmes. Such economies will not stop the present financial drift. It is only, as I have said before, by curtailing the useless and extravagant activities of the Government that true economy can be effected, and I hope that the time will soon come when this House will firmly put its foot down on those socialistic and semi-socialistic State enterprises which some of the members of the present Government were elected to support, and which, instead of doing away with, they are amplifying. It is true, perhaps, to satisfy the Country party that the Government have agreed to postpone the abolition of, say, the State implement works, and in order to avoid wounding the susceptibilities of the valuable members of the National party who joined from the ranks of the Official Labour party, that other matters of this kind must be gently dealt with. But while these matters of party consideration only have the happy effect for the Government of keeping them in office, the country is going to leeward at the rate of £3,000 a day. I do not think it is a fair thing that

this should be done. This country will never have decent administration until we get back to a state of clearly defined party government. It seems to me that party government is the natural outcome of the British temperament, and there is a natural line of cleavage in this country—I need not say what it is. That line was left two or three years ago during the regime of the Wilson Government. Mr. Wilson had the opportunity of saying to members of all parties in this House, "It is my intention to do so and so. Follow me if you like; if you do not like, I go out." If he had done this we would have avoided this "National Government farce, and I say it is a farce. Why the word "National" was applied is beyond my comprehension. We should have to-day in another place two clearly defined parties, and as I say, we cannot have effective government, with a Government ited and bound hand and foot by the dictates of the three parties, and whose every effort is thereby rendered nugatory and useless and inept. I suppose it is too late now to lament over such a state of affairs, and the fact that this step was taken when the opportunity was lost by Mr. Wilson, renders a backward step extremely hard to take, and makes it almost impossible for this country to return to that comparatively happy state which it left. It is a funny thing with regard to those State enterprises that the only one which appears to be paying at the present time is that in which the Government are occupying the position of common profiteer—I allude to the running of the State steamship "Kangaroo." Why the State steamship should be engaged searching around the world cargo snatching, and joining the ranks of those people who are living on the exigencies of the Empire, and why the Government should be supporting that sort of thing, also passes my comprehension. It seems to me most undignified on the part of the Government to join the ranks of profiteers, and we even had the Colonial Secretary rejoicing the other day at the fact that the Government did not have to pay war profits tax, such as some of their competitors had to do.

The Colonial Secretary: I was not rejoicing; I was merely stating a fact.

Hon. W. KINGSMILL: The Colonial Secretary stated the fact with a smile on his face, which seems to express satisfaction on behalf of himself and his Government.

Hon. R. J. LYNN: We want the money badly.

Hon. W. KINGSMILL: Very badly, but that is not the right way to get it. If the "Kangaroo" were occupied as a State steamship should be, in developing State trade then I should have regarded that as an advantage, but she is simply sent forth as a vessel owned by a private company to take advantage of the high freights caused by the present distress of the Empire, thus placing the Government in a most unjustifiable and undignified position. Then, again, we have schemes in the air for the erection of freezing works mostly by the Government. It is proposed to erect freezing works at Fremantle, for the Government are prepared to consider offers from pri-

vate enterprise, and also in connection with other places. But I say that if the Government will not take the necessary step themselves this House should take it for them, and this is that we should put down our foot on such a project. So long as people outside are protected from the possibility of unfair Government competition, there is plenty of money available to carry out such works. The Government need for their own legitimate activities every penny they can raise. Why, therefore, should they lock up this money when we can get people to carry out these undertakings more quickly, more efficiently, and with greater benefit to themselves and to the consumers? Will the Government never take a lesson? Think of Wyndham, capitalised beyond every possibility of ever paying, so capitalised because steps were not taken at an early stage to see that the work was carried out by contract. Contract work has saved this country many hundreds of thousands of pounds. Why was not this system put into operation in connection with these works? It is no good telling me that it was impossible. Even at a later stage the works could have been carried out by contract, even in a series of small contracts. We find the Government are making no effort in that direction. Why? For one thing the Honorary Minister for the North-West is a gentleman whose political persuasion before he joined the present Ministry was absolutely opposed to contract work. He favoured the employment of day labour. As I have said, taxation is to-day, and must be for years to come, one of the most serious problems in the community. We have these measures brought down to this Chamber—the constituents of which pay 90 per cent. of the taxation—in the closing hours of the session. These taxation measures should receive at least as much consideration by this House as they receive in another place. We know of course, that it is the desire of the Government to close up a session which has been unduly long, and it is the desire also of hon. members to end their labours. Under these circumstances what chance have we of giving these measures that proper consideration which they deserve? I hope that if the leader of the House carries out the promise he has given us, that when the next taxation measures are brought in, this House will, at all events, have some weeks instead of days in which to consider them. I venture to say that it is almost impossible to do justice to these measures in the hurried way in which we are asked to deal with them. Let us go through the history of these two Bills which are before us. They were brought down to another place as the result of six months' labour on the part of the Treasurer. The Treasurer made a speech in another place and, metaphorically speaking, said, "Only over my dead body shall any amendments be made." Then he went away with the Premier to attend a conference of Premiers in Sydney. If there are two members of any Ministry who are more directly concerned with taxation than any of the others, they are, firstly the Treasurer, and secondly the Premier. Nevertheless, as soon as the backs of those gentlemen are turned, a caucus meeting is held. The taxation mea-

tures are considered, and they are absolutely torn to tatters. The six months' hard work about which the Treasurer spoke went for nothing at that caucus meeting. Then the Bills were brought down to another place in a very much revised form. The system of taxation which apparently was concocted as if it had been knocked together in the corridor on the back of an old envelope with a lead pencil, was submitted to another place. That was deemed unsuitable, and yet another amendment was made. Now we have the result before us. I say, with all due respect, that even with the gigantic brains which stand behind this scheme of taxation, it is not the right way to prepare measures to submit to a deliberative Assembly, and the fact that they have been changed so much points to the want of stability of the Government, and the fact that the two gentlemen mostly concerned in the taxation, and within whose province taxation generally lies, were absent from the caucus meeting, leads one to look upon the position with feelings of distrust. Nevertheless at this hour we have, I presume, to accept it with the hope that next session we shall get a little more time and a little more opportunity to see that the measures put forward get better consideration and I hope will assume a better form. I have already said it is essentially the province of this Chamber to see that this shall be done and I am well within the mark when I say that 90 per cent. of the taxation of this State is paid by the constituents of members of this Chamber and it is our duty to see that steps are taken in order that safeguards may be placed in the Bills. To get away from what after all is an unpleasant subject, the justification of this taxation, let me say a few words about its equity, and I take it that with regard to taxation the underlying principle should be that every man in the State who is receiving the benefits that the State gives to all its citizens should pay according to his means. Then arises at once the question of exemption and I am quite at one with those hon. gentlemen who have spoken, Mr. Holmes and Sir Edward Wittenoom, in considering that no exemption whatever shall be placed in any equitable system of taxation. I have been much interested during the last few days in reading an article in a magazine which no doubt hon. members are well acquainted with, called "World's Work" for February of this year; an outline of what hon. members would be horrified to know, the gentleman calls the single tax. Single taxation has always been associated in my mind with the taxation of land values, but not so in the mind of the author of this taxation, his single taxation is a single income tax. He proposes to abolish custom duties and all other taxation, and to run the United Kingdom by a system of income taxation on every man and every woman in the United Kingdom, and it is very illuminating as showing the trend of thought in a country which used to be regarded as conservative, to find out what he lays down as the underlying principle of taxation. I do not intend to deal at length with this article but I quote it so that members may be aware of the trend of thought of what people do think in England on this question. He says—

1. That a tax shall be levied upon the total annual income derived from whatever source of every individual, male or female, resident in Great Britain in receipt of wages salary, or other income; all incomes to be taxed. 2. That the tax shall apply to the incomes derived from British sources, of British subjects who reside abroad. 3. That the tax shall be made on a scale graduated according to the income as set out in Table 2.

I shall give a brief summary of Table 2 later on.

4. That the taxes on incomes derived from investments shall be double the amount charged on incomes directly earned by brain work or physical labour. 5.—

This is an important clause.

That all other forms of rating or taxing of materials or goods, either factored or manufactured, food, land, buildings, factories, plant or machinery, death duties, be abolished. 6. That every individual irrespective of age, be compelled by law to give a written return of total income from all sources for the last preceding year (the head of the family to be held responsible), whether from wages, salaries, commission, or investments, and this return to form the basis for taxation.

And this too is an innovation that should recommend itself to everybody.

7. The payments to be made in four quarterly (instead of annual) instalments. 8. Any person making a false return to pay 50 per cent. additional tax for the first offence, 100 per cent. for the second offence, and be liable to imprisonment for the third offence; the authorities to have the right of inspection of all books when or where a doubt exists.

That is, roughly speaking, an outline of the system of taxation that is proposed by this gentleman—a man of high standing indeed, his name is Mr. Walter Jones, M.I.M.E., J.P.—to find a national remedy. Now the graduation is simplicity itself. Very much more so than any of the schemes of graduation brought down by the present Government.

Hon. J. W. Kirwan: How would you apply it to our two schemes of taxation?

Hon. W. KINGSMILL: That is a difficulty, but it is not insuperable. I do not propose to make a single tax in Western Australia. I am quoting this to show the trend of public thought in regard to exemptions and other matters. There is always this to be thought of: even if we have two schemes, as with our own State taxation, it should be a credit to us and not a disgrace to be ahead, if we can, of the world.

Hon. Sir E. H. Wittenoom: I think we are in quantity.

Hon. W. KINGSMILL: Not in quality. In quantity undoubtedly; in equity undoubtedly behind. The scheme proposed by Mr. Jones is as follows:—Incomes over £10 and up to £100, one per cent.; over £100 and up to £200, two per cent.; over £200 and up to £300, six per cent., and so on until it reaches over £40,000 and up to £50,000, 24 per cent., and over £50,000, 25 per cent., and when the in-

come is derived from investment, 50 per cent. It is a fairly sweeping conclusion, but we have always to remember this, that after all the necessities of life, even to a person enjoying an income of £50,000 a year, do not vary in the same proportion as the income of the individual, that is to say it takes more, undoubtedly it takes more, although more is not necessary to keep a man with a huge income than to keep a man with a small income, but the proportion that can be equitably and decently borne by a man with a large income is very much more than that of a small man, hence the necessity for the somewhat drastic, as some members may think, proposals of a man like Walter Jones. But I want to bring under members' attention that it is a very significant fact, that in a country like England where wealth is worshipped to even a greater extent than in Australia, it is possible to bring forward in a magazine of considerable repute and widely read, a scheme such as I have outlined to members. That is the thing I want members to turn over in their minds and to give due weight to when considering taxation. There is a very important little point in the scheme, too, that I should like to turn members' attention to. They will remember one of the points of the scheme of taxation is that the tax on income derived from investments shall be double the amount charged on incomes earned by brain work or physical labour. There is another principle that comes into operation; the principle of differentiation between the different sources of income. I suppose members will think that this is to me something like King Charles' head. If we must have taxation, and it appears inevitable; if we must have a taxation office, and that appears to be inevitable; if we can make that taxation office and that taxation an incentive to do good and an encouragement to develop our country, we should do so instead of making it a house for the receipt of custom only.

Hon. Sir E. H. Wittenoom: How would you class parliamentary salaries?

Hon. W. KINGSMILL: That I will deal with later on. But that is not one of the greatest difficulties of differentiation, but how to get the pastoralists of the country to pay their due proportion of the tax. It has long been a matter of deep regret to me that those persons engaged in industries that are of a positive benefit to the State and generally a very strenuous occupation to those engaged in it, that they should be subject to the same rate of taxation per pound of income earned as persons engaged in occupations that sometimes are more than useless, but even deleterious; persons engaged in earning incomes from things which pander to the weaknesses of humanity rather than to raise that weakness and cause strength. If we use the tariff as is often done in many countries for the taxation of luxuries and the taxation of uselessness, we may well use our taxation office for the same purpose. Some 18 months ago I contributed an article to the daily Press here and I am glad to say that many persons who I naturally think are in the van of modern thought, considered that the principles put for-

ward in that article were well worthy of consideration and trial—I pointed out in that article a system never yet tried in any country and so far as I know never before mentioned—I feel as certain to-day as I was when I wrote it—that within a few years the principle of differentiation would be brought into existence. It has to a small degree been brought into effect now in England and in the Commonwealth taxation because they differentiate between those incomes obtained by investment and those from personal exertion. That differentiation should be carried further. We should no longer find the working farmer and the working miner paying the same rate per pound of income tax, if he happens to earn the same amount as the bookmaker and the publican, the picture show man or the usurer. It is a most inequitable thing that such a state of affairs should be tolerated, and let me say that it is strange that the primary producers will tolerate such a state of affairs for a moment. It reminds me, if I may say so, of the attitude of the trades unionist where a good man is very often sacrificed for the mediocre man. They seem, to these primary producers, to stand it just as well as the unionist does. A change is coming with regard to trades unionism here. It has come in America. America 25 or perhaps 30 years ago was passing through a severer tyranny of unionism than we have been going through in Australia; and yet to-day we find that the tradesmen of America are standing out, not to see how little they can do for the greatest amount of pay, but whether they can beat the world's record in manufacture. That is a state of affairs which I sincerely hope will come to pass in Australia as it has come to pass in America. I am not for a moment deprecating the system of paying high wages. What I wish to avoid is high wages with low efficiency. It is the low efficiency that is going to kill this country if it is to be killed. I venture to say that if the present rate of alleged progress continues we shall build around this country of ours, which ought to be one of the best in the world, a wall of high wages with low efficiency which will cut us off from the rest of the world. It is in order to induce people to leave the professions and callings which are unprofitable to anybody but those engaged in them, profitable to the individual but unprofitable to the community, that I am advocating this system of differential taxation. The system which I outlined proposes to divide the community into four sections. It was only a hypothetical case, but the division was as follows. The first section to consist of the primary producers who are working in the primary industries themselves; the second to consist practically of the main body of business people, of those who are engaged in secondary industries, and of those who are engaged in primary industries through money invested but not by their own personal efforts, and, generally speaking, of the business people of the State; the third to consist of persons who are engaged in industries and occupations which, while not of very much use to the community as a community, are not of very much harm to it; and a fourth, to consist of those persons engaged in industries which are dis-

tinently deleterious to the community. It is no use for anybody to tell me that we have no industries of this last class in our midst. Furthermore, if one turns over in his mind, as I have been doing for some years now, the fact that it is the industries which are of least use to the community that it is easiest to make money at, one must recognise that some such reform as this is imperative. Surely that fact in itself is a reason why these deleterious industries should bear taxation higher than that imposed on the industries which are of use to the community. Everybody knows that in the primary industries it is absolutely impossible to achieve the same results as in any one of the more deleterious occupations. Why, therefore, should not the people who are building up our country get a little more consideration from us? Let us bear in mind the fact that our arch enemy to-day, Germany, by a system of bonuses was building up a commercial system which was threatening that of Great Britain. That was done by a system of bonuses. But let me say that differentiated taxation is a bonus system in which the bonus, instead of costing money to the State, is granted by way of remission and not by payment. Under it, the man who is engaged in an industry beneficial to the State pays his fair rate of taxation, but does not pay as much as the man who is not occupied in a trade or calling that entitles him to a bonus. I would like hon. members to consider this matter fairly and to think it over. I do not say that within the next year or two, but possibly within the next three or four years, Australia may be found taking the lead of the rest of the world in this matter, as she has taken the lead in so many other matters. Australia has a great deal to be proud of as regards legislation. When we consider that the ballot system is an Australian invention, when we consider that the Torrens Act is regarded as a model of lands titles legislation practically all over the world, surely we may venture to think that the Australian brain has produced something of which we may be proud. We need not believe that everything which comes out of Australia is necessarily good; but, on the other hand, do not let us, with that spirit of super-modesty in regard to Australian productions which often characterises us, consider that everything which comes out of Australia must necessarily be bad. I invite hon. members to turn this proposal over in their minds, and if possible to give it their support. I would even ask the Government, if they could do so without offending some of their many supporters, to think this matter over. I do not for a moment expect that they will take any action, because I know that they are possessed with diffidence. At least I know that some members of the Government are; others, I have noticed latterly, are not. However, the Government as a whole are possessed of a great deal too much diffidence in taking a step of this sort, which may offend other people. Goodness knows to what extent their bookmaker friends, who are legalised under the Stamp Act, might suffer if my proposal were carried into effect. However, if the Government would rise above those petty considerations, as I think is the duty of the Government, and would try

to think of the good of the country and of the good of the industries of the country, they might, perhaps, give a little thought—although I do not suppose it would have any effect—to this humble little scheme of mine. One of the principal qualifications of taxation must be equity. If any of us can make that man pay who deserves to pay, and can help to relieve that man who is paying more than his fair share, then I say it is a neglect of duty if we do not advocate legislation which will bring about that effect. I support the Bill because I cannot see anything else to do in the circumstances. The taxation proposals certainly do not strike me as being scientific taxation. Knowing the relations of the Government to everything scientific, I am well aware that I please Ministers when I say their taxation proposals are not scientific. Were I to say that those proposals are scientific, the Government would probably fire the author of them out into the world. With the time left at our disposal, this being the end of the session, there is nothing to do, I suppose, but accept the Bill. I am quite in accord with the two hon. members, the Hon. Sir Edward Wittenoom and the Hon. J. J. Holmes, who have advocated the doing away with exemptions and the widening of the area of taxation. But I doubt very much whether it would be possible for those hon. gentlemen, either or both of them, to put their scheme into operation in this or even in another House. The only way to do that, I think, is to get hold of a Minister of the Crown and get him to move accordingly. Perhaps I may suggest that one of the two members I have mentioned should be made an Honorary Minister for the time being. With the reservations which I have expressed, I support the second reading.

Hon. J. DUFFELL (Metropolitan-Suburban) [8.56]: I intend to be brief, but I feel bound to say that in connection with this Bill I am reminded of a speech by the Colonial Treasurer to which I listened a few months ago, when that Minister was delivering the Budget. He then appealed to members of another place to consider themselves as co-directors with him in the management of the country, and to assist him by suggestions as to the best ways and means of raising revenue and lifting the country out of its present deplorable financial condition. Had the Treasurer been in order in appealing to members of this Chamber, he would have received suggestions of a more tangible nature than those which reached him from members of another place, and which, I may say, I have read with a certain amount of interest. I listened closely to the remarks of Sir Edward Wittenoom, and especially to his references to the exemptions. The hon. gentleman said that he would tax every person earning from £5) upwards per annum, without any reservation, if such person had his or her name on the electoral roll. Let me say that the majority of the people referred to, and especially those of them rearing families, are already pretty heavily taxed indirectly. In this House mention has been made from time to time of the various forms of taxation imposed on enterprise in Western

Australia by the Federal Government. There is, for instance, a tax which has been mentioned here to-night—the tax on amusements. It must be admitted that the toliers, even in these abnormal times, cannot be expected to abstain entirely from amusements; and when they go to picture shows they have to pay a tax to the Federal Government. In the first instance, no doubt, the tax is one on the proprietor of the show; but it is a tax which, like so many others, is passed on and which the worker ultimately has to bear. I am satisfied that, generally speaking, the workers are paying a fair share of taxation indirectly. When I consider the application of the Bill to the artisan class, I can only come to the conclusion that the measure is unjust and inequitable. Its proportional rate of taxation is not in accordance with the higher systems of taxation which should prevail in such times as these and which would tend far more effectively to attain those ends for which the Colonial Treasurer strives. When Sir Edward Wittenoom was speaking on the abolition of the exemption as regards people whose names appear on the electoral roll, I thought that, had the Colonial Treasurer appealed to this House for suggestions, he would no doubt have received, amongst others, the suggestion which I have, by interjection, once or twice brought forward here. I contend that a tax of 1d. per pound weight on wool would give an enormous lift to the revenue of this State. I asked the Honorary Minister a few days ago to furnish me with a return of the weight of the wool clip for the last two years. I received the information, but unfortunately it is now missing, or I would have shown what the penny per pound weight on wool clip would have yielded. When it is borne in mind that we are living in abnormal times, when it is remembered that the taxation which is now proposed is in the form of an emergency Bill, and consequently specially severe, and when we also bear in mind the fact that owing to the abnormal times the growers of wool are receiving greatly enhanced prices for their wool, I contend it would not be oppressive or outrageous if they were taxed a penny per lb. on that wool. Then those who are receiving the larger incomes would be paying in accordance with their wealth.

Hon. J. W. Kirwan: Has the State power to impose duties of that sort?

Hon. J. DUFFELL: I cannot say. It is only a suggestion put forward rather as an illustration to show that there are higher means of getting revenue than the tiddly-winking, pettifogging ways suggested in the Bill. It is well known that at present there are in Australia 16 persons with incomes of £100,000 per annum each. In the trying times through which we are passing, persons receiving such incomes could well afford to pay £50,000 taxation and still have £50,000 upon which to exist. These are forms of taxation which I think should receive more attention. I am prepared to admit that the differentiation mentioned by Mr. Kingsmill is worthy of the best consideration, and I am in accord with him when he says that it will

play a very important part in the near future in regard to the taxation and revenue proposals of this and other States of the Commonwealth. When in Committee I intend to move an amendment to Clause 7. Paragraph (d) of that clause refers to Section 31 of the principal Act, which deals with exemptions for children under 16. Not infrequently sons and daughters of poor people are found to possess exceptional ability in their educational course. It is for such children that the State has provided the higher forms of education. I have in mind a hard-working man with four children, one of whom, a boy of 18, has shown such brilliancy that, having won his scholarships, he has matriculated and gone to the University. His parents are making enormous sacrifices in order that the boy shall receive the highest education, in the hopes that he may ultimately reap the benefit of their sacrifices. I know of a similar case in which the parents of a girl of 18 years of age are making very great sacrifices. In cases such as these, the girl or the boy continuing the educational course beyond the usual period should be exempt under paragraph (d), and I intend to move in that direction. Generally speaking, I realise that we have all to make financial sacrifices just now in the interests of the State. We cannot all go to the Front and fight for our country, and those of us who are not able to fight should be made to pay. I will support the second reading.

Hon. G. J. G. W. MILES (North) [9.8]: I cannot agree altogether with the remarks made by the hon. member in reference to the exemptions. Like Sir Edward Wittenoom and Mr. Holmes, I think there should be no exemptions at all. Personally, I consider the Bill very cumbersome. As I previously stated, I think the tax on employees could be collected through the Stamp Act. I would not advocate, as Sir Edward Wittenoom does, that there should be a tax of 10s. on a salary of £50. I think a penny in the pound could be collected from anybody earning £1 per week. The Taxation Department would have no trouble in collecting the money, and the taxpayer would not have to make the return, which so many taxpayers object to. Mr. Duffell suggested that those drawing higher salaries should pay an increased rate of tax. I agree with him that a man earning £100,000 should pay more than is asked of him under this measure. As it is now, with the Federal and State taxation, anyone earning a few thousand will pay up to 25 per cent., taking the two taxes together. While I question the exemptions—Mr. Duffell reminded me of this by saying that those of us who remain behind should play our part in paying the increased taxation—there is one exemption which I would like to see, and which has been overlooked by both State and Federal Governments. I refer to the exemption that should be given to returned soldiers. The men who have gone to the Front have sacrificed all for our benefit, have risked their lives, and now they are to be asked to pay the same share of taxation as those of us who have remained behind. I think the Government should take that point

into consideration and see if they cannot exempt returned soldiers from paying, at any rate, the full taxation. I know of one family from which three brothers out of four have gone to the Front. One has been killed, and another wounded, and the wounded man is now coming back to take the place of the fourth brother in order that the latter may go to the Front. The boys are all in partnership, and those who have been to the Front and return will have to pay the same rate of tax as the partner who has remained behind. I think there should be exemption for such men. We hear a good deal about repatriation. A number of the soldiers on their return will go back into their old billets. I know of a couple of men who returned last week. They are wounded and will be cripples for the rest of their lives; they are to go into offices, where they will sit alongside men who have remained behind, and those returned, crippled soldiers will be called upon to pay the same tax as the men who stayed at home. While I realise that it is necessary to have further taxation, at the same time I think the Government require to economise in every possible way. I propose to indicate one direction in which economies could be effected. I have mentioned it on several occasions. I am absolutely opposed to all State enterprise. In my opinion the sooner the Government get out of their trading concerns, the sooner they cut their loss, the better it will be for the State. If that were done we could get along with fewer Ministers, as Mr. Holmes has suggested. The Government would then be governing the country and would not have to look after a number of trading concerns which, I maintain, cannot be run by the Government as well as by private enterprise. I have previously stated that if the Government continue to run the State Steamship Service they must get a shipping man as manager. It might interest hon. members to know that tens of thousands of pounds could be saved if we had a proper shipping man running that service. I understand that Mr. Stevens, the manager, is a capable officer, but I think he is being asked to do too much, that he has sufficient to do as secretary to the Fremantle Harbour Trust. It has come under my notice that the State Steamship Service agent at Port Darwin is owing the State £700. That agent is not worth a box of matches. Had a shipping man of experience been in charge of the service, he would have insisted upon returns coming along after each voyage, and the State would not have lost that particular sum. Again, when the "Bambra" went on the reef this side of Wyndham, the captain wired for information as to the amount for which she was insured. He wired twice, and he remained an extra 24 hours at Darwin in the hopes of getting that information, but it was not forthcoming. He wired for instructions as to whether he should pay the crew an extra amount in wages, as no other crew was available. The management said, "Do what you think best," and in that way shifted the responsibility to the captain of the ship. The result was that the ship went to Singapore, and they put in their claim for damages, and the captain of the vessel did not

know what she was insured for. In that way the Government lost £1,500. The information went up by the marine engineer. I am referring to the gentleman who holds that appointment. I do not think he is a marine engineer, but that he has had his experience in the loco. shops in the State. That information went up ten days after the ship had arrived at Singapore. At present I understand the State steamships are taking timber and iron to Port Darwin, at a rate which does not pay to handle it. The lumpers there are getting 5s. an hour for handling cargo, and the iron is going up loose, instead of the State steamship service insisting upon its being in bundles so that it could be more economically handled. If half of what I have said is correct the sooner the Government advertise for a shipping man to manager the service the better it will be for the country. In advertising for such an officer the State should not offer less than £1,000 a year to begin with. That is the least amount at which they will be able to get a competent man. I believe that the State steamers are also bringing down blood manure from Port Darwin to Fremantle at the rate of 30s. a ton, for which it does not pay to handle it. They are getting £6 10s. a ton from Darwin to Sydney. If we are to run the State Steamship Service we must run it on business lines, and we do not want thousands of pounds thrown away. It has been said in the House that the shipping service has paid. The "Kangaroo" is paying because she is trading in the world's markets. I would point out that abnormal freights are now obtaining, and that this is a reason why this steamer is paying. If it were not for the war I maintain that the "Kangaroo" would be a losing proposition, as she can only steam at the rate of eight knots an hour.

Hon. Sir E. H. Wittenoom: I thought she was a bit faster than that.

Hon. G. J. G. W. MILES: I do not think she could do eight knots an hour if there was a head wind against her. Another question I would like to deal with is in regard to the space on the State steamships. Agents who have wired for space have been told by the Fremantle management that there is none available. Later on the agents have been advised that the vessel in question can take 1,000 sheep. The sheep have been taken to the ship's side at the wharf, and when the vessel has arrived the captain has said, "Is this all the sheep you have, as I have room for 3,000." This means that the steamer is carrying 2,000 less than she could carry, and there is so much space and money lost to the State. If these economies are effected it will not be necessary for us to have so much taxation as is now proposed. I would also point out that there have been instances in which stock owners have booked space by a State steamer, but have not been able to ship the stock. The Government in these cases have not pressed any claim against their clients, because they have decided that they have been good clients to them. A shipping firm would have demanded some payment for this space which had been booked but not occupied. It is just about time the shipping service was placed in capable

hands. By that means tens of thousands of pounds could be saved to the country. I support the measure on the condition that the Government do all they can to run these concerns in an economical way. The sooner they get out of them, either by tender or some other method, the better it will be for the State, and the better will the service be under private control. In reference to the taxation measure itself, I take exception to the absentee tax. I understand that this it at a higher rate than the ordinary tax. I maintain that if we place a tax double that of the ordinary tax upon the absentee it will mean the driving out of capital from the country. We want every pound of foreign capital that we can get into this country for its development, and the absentee should not be obliged to pay more than a resident of the State. I hope to see the Dividend Duties tax repealed, and the whole of the shareholders of any company brought in under the income tax measure. It should be possible to collect the tax from foreign shareholders, just the same as a private individual has to declare what his income is for taxation purposes. I am strongly opposed to the wool tax proposed by Mr. Duffell. That is absolutely a class tax. The pastoralist is prepared to pay his share in a fair proportion. He is getting on an average 1s. 3d. a pound for his wool, and the British Government are receiving the difference. It is worth at least 2s. 6d. a pound. He is therefore giving an equivalent of 100 per cent. on the value he receives to the British Government to assist in financing the war. It is absurd to suggest that one section of the community should pay a tax of that description.

Hon. J. Nicholson: How can you impose it?

Hon. G. J. G. W. MILES: I do not think it is possible to impose it. The next thing will be that we shall find that the man, who gets an ounce of gold and has to pay £6 in order to obtain it, will be taxed to the extent of £1. I have much pleasure in supporting the second reading of the Bill.

Hon. H. MILLINGTON (North-East): [9.23]: I have no intention of dealing with the economies which are considered necessary, but desire briefly to mention a few clauses of the Bill which I think might reasonably be amended. I am specially interested in the exemptions just as Sir Edward Wittenoom and members from the North Province are interested, and I, too, have particular ideas on the same subject. I quite realise that it is impossible for me to get my ideas embodied in a Bill in this Chamber, because I object to the exemptions being interfered with at all. I do not intend to move any amendment in that respect. At present the exemption in which I am particularly interested provides for an allowance to parents for each child under 16 years of age.

Hon. Sir E. H. Wittenoom: It is £20, is it not?

Hon. H. MILLINGTON: Under the existing law it is £10, and this Bill proposes to make it £20. I propose, when in Committee, to move to raise the exemption to £26. This will bring the exemption into conformity with the Federal tax, and will make the two

measures agree in that respect. It will also bring about the recognition of the principle in Western Australia that a parent is entitled to an exemption of 10s. per week for each child under the age of 16. The only question I propose to deal with is that of exemption. Mr. Holmes, when speaking, appeared to have the idea that, because the majority of the people in the State are not paying to any great extent so far as income tax is concerned, they are exempt from taxation. This is an entirely erroneous idea. Take a measure such as that put forward by Mr. Kingsmill, providing that all taxation was taken from one source and that there was one taxation proposal for the State and the Commonwealth. It is a simple matter to show that in any kind of industry the worker actually provides the taxation for whoever happens to pay it. Take the gold mining industry on the eastern goldfields, for instance. There is only one source of revenue, and that is from the mining industry in that part of the State. There are amongst those actually engaged in mining those who obtain their revenue from that industry. There are also some people who pay a pretty fair income tax. In the first place that money has been provided by the wage-earner on the eastern goldfields. I do not think Western Australia gains very much from the big mines, with the exception of the money which is spent in mining supplies, and the large amount spent in wages for those employed in the industry. I do not say that it makes any difference whether a miner earning £4 a week pays direct to the Treasury an income tax, or whether he is overcharged by someone doing business with him. Business people arrange their schedule of prices according to the income tax they pay, and all other charges are taken into consideration. Therefore, those doing business with these people indirectly assist in paying their particular taxes. As a matter of fact, were it not for the wage-earners on the eastern goldfields, there would be no tax at all derivable from the goldfields. It makes no difference whether they are used as indirect taxpayers—it eventually gets into the State coffers—or whether they pay it direct. It can easily be shown that practically all the revenue which comes from the eastern goldfields comes in the first place—pretty directly too—from the wage-earners themselves, those who, Sir Edward Wittenoom thinks, are not doing their duty to the State in regard to taxation. This would also be applicable to the wage-earners in any given district. Those who are doing business in a big way have to depend on the population of the State, and it is from the people that they derive their livelihood. Even to-day we are bemoaning the fact that Western Australia is not as prosperous as she was some years ago. During the war this is more particularly apparent. I believe we all realise that this is due to a great extent to the fact that 30,000 of our best wealth producers, instead of producing wealth in Western Australia, as in times past, are now a charge upon the State. It is on account of the diminution in the number of wealth producers of the State that we find it so hard to

make ends meet at present. It is those people who do not appear as taxpayers, who are really of far more importance to the country than those who happen to be finding the revenue for the State direct. There is another measure dealing with taxation. This one deals with assessments only, and so far as I am concerned, I do not propose to labour the question, but merely to show that in my opinion, so far as the wage-earners are concerned, they are doing their duty and paying more than their share towards the expenditure of the State. In addition to that they are paying directly to the Commonwealth, and the fact remains that they also are providing revenue from which other members of the community pay income tax. When the Bill is in Committee I propose to move the amendment in the direction I have outlined, with the object of increasing the exemption for children under 16 years of age from £20 to £26. I do not think this amendment will require much stressing so far as this Chamber is concerned, because hon. members here, above all things, represent the families of this State and understand the conditions and the hardships those families are experiencing, particularly at the present time. I am confident that hon. members also understand that it is the family man who is particularly suffering on account of the enormous increase in the cost of living. Therefore, although a general exemption may not appeal to hon. members, I am confident that if it can be clearly shown that the exemption I have suggested for those who are endeavouring to rear families in the State, and who are suffering hardships due to the causes I have mentioned, is reasonable, it will be generally supported. As a matter of fact, the Colonial Treasurer when introducing the Bill appeared to think that parents of two children would require an exemption of £200. By increasing the amount in the direction I have stated to £26 the position will be made quite secure for those who have two children. There are many on the eastern goldfields who are on the £200 limit, and they will be exempt if the increase I propose to suggest is agreed to. With that reservation I will support the second reading of the Bill.

Hon. J. W. HICKEY (Central) [9-35]: I intend so support the second reading of the Bill and I hope to have the opportunity when the measure is in Committee of supporting the amendments, an indication of which was given by Mr. Millington. I am prompted to say a word in this direction for the purpose of replying to a remark made by Sir Edward Wittenoom, who said that the majority of the people in this State, or at any rate a proportion of them, have a vote in connection with this Council and are not a scrap concerned about the taxation proposals which are being submitted. That is a most uncharitable remark to make and one that is entirely wrong. We have to recognise, no matter what our opinions may be in certain directions, that a large percentage of the people in this State are wage earners. Under our present form of taxation, the wage earners are paying all the time, and that being so, it is wrong to suggest that these people will be exempt under the conditions as outlined by Mr. Millington, and that they have no consideration for whatever taxation proposals may be introduced. There are many

people to-day who possibly may be exempt, but those people are just as much concerned about taxation proposals, as any others. There are many soldiers' wives in this State who, under the proposals of the Government, would not be exempted from that taxation, and they are as much concerned as Sir Edward Wittenoom himself; so that when dealing with a measure of this kind we should not deal with it from one standpoint alone. We should have due consideration for the feelings of all sections of the community. I do not think the hon. member was serious in connection with the argument that he put forward in regard to the land between Bridgetown and Nannine. No one knows better than he does the value of the country that he referred to, and when he said that there was hardly a thousand acres of land that he would be prepared to take as a gift, I think he was playing to the gallery a little. The hon. member knows very well that what he said was entirely wrong. I trust when the Bill is in Committee the amendments which were outlined by Mr. Millington will be given due consideration, particularly the exemption with regard to children. Those hon. members who have spoken have referred to the exemptions, and with one or two exceptions, they have been in favour of cutting out the exemptions altogether. I believe every person should pay whatever he can afford. Taxation of course is unpopular, but at the same time it is necessary, and someone has to take the unpopular stand and introduce it. No person however, should evade his obligation. It is only reasonable to recognise that any person receiving under £200 a year will find it almost impossible to pull through, let alone having to pay taxation. I think I have more opportunities of meeting those people who will be mostly concerned in this direction, and I emphatically declare that it would be impossible for them to pay any taxation whatever. If a person is in receipt of a reasonable salary he should be called upon to pay, but anyone with a family receiving less than £200 cannot possibly afford to pay anything. If hon. members cannot see their way to allow the exemption of £200 to exist, the result will be that each year an increasing number of summonses will be issued by the Taxation Department. When the Bill is in Committee I trust the exemption clauses will be given the consideration by the Chamber which they merit.

On motion by Hon. J. W. Kirwan debate adjourned.

BILL—LAND TAX AND INCOME TAX.

Second Reading.

The COLONIAL SECRETARY (Hon. H. P. Colebatch—East) [9-40] in moving the second reading said: With other hon. members I regret that it was not convenient for the measures dealing with taxation to be submitted together. I have endeavoured to bring them as nearly simultaneously before the House as possible. As a matter of fact when I introduced the Land and Income Tax Assessment Bill, the Land Tax and Income Tax Bill had not completed its passage through another place. The practice has been adopted by hon. members of speaking on the Assessment Bill in a manner to cover both proposals. I think it will probably meet the requirements of the case if, in moving the second reading of the Land Tax and Income Tax Bill, I confine my remarks merely to explaining the provisions of the different clauses. It will be observed that the income rates contained

in Clause 2 of the Bill are to be imposed on the income earned during the 12 months ending 30th June, 1918, as assessed under the three Assessment Acts, namely, the original Act of 1907, as amended by the 1917 amending Act. That was the Act to which I made reference early this afternoon bringing the two periods of assessment into conformity with each other for Federal and State purposes. Also the 1918 Assessment Act which is at present under consideration. Paragraph (a) of Clause 2 fixes the rate of the land tax at exactly the same rate as has been in force since the inception of the land tax in this State and this will be imposed in accordance with the amending Act of 1917 on the land owned as on the 30th June, 1918. The land tax is fixed at one penny, but it is subject to a rebate of one half-penny for improved land as provided for in the existing measure. It is intended to submit another very brief Bill for the sole purpose of equalising the position for the person who pays land tax with that of the person who pays income tax and also that of the companies. That is to say, whereas the land tax payer has been called upon because of that amendment to the Act passed last year to pay three years' land tax in 2½ years, this short Bill, which I hope to be able to submit to hon. members to-morrow, will equalise that position. Paragraph (b) of Clause 2 fixes the rates of income tax to be calculated on incomes earned as assessed during the 12 months ending 30th June, 1918. As no taxpayer pays income tax unless the income chargeable exceeds £100, as in the case of a single person without a dependant, the rates start on an income of £101. The scale provides for regular equal increments of .006 of a penny, starting from 2d. in the pound until 2s. 6d. in the pound is reached. The scale is so arranged that the rate on £100 is 2d., the rate on £101, 2-006d.; on £102, 2-012d. and so on. The rate of 2s. 6d. in the pound will be reached when the income chargeable amounts to £4,767, and thereafter the flat rate of 2s. 6d. in the pound will apply. I have circulated amongst hon. members a table of examples. The examples given in the printed comparative statement show for a number of amounts what is collected in the various States of the Commonwealth under the rates at present in force, and also what is collected by the Commonwealth itself. From the income shown in the first column has to be deducted the general deduction of £250 or £200 or £156 (as the case may be) according to the provisions contained in the several Assessment Acts. For Western Australia three columns of figures are given with additional particulars. The first of these shows the taxes payable under the existing rates of income tax. By comparing that with the last column regarding Western Australia members will see at once the increased taxation which is being imposed. It will be seen that a person with a total income of £201, after allowing all deductions except the general deduction of £200, pays a tax on £1 only, namely, 4d.; and similarly for other amounts. The figures in parenthesis show the virtual rate in the pound paid by a person on income after allowing all deductions except the general deduction of £200. This virtual rate in the pound has been shown for every amount quoted and is arrived at by dividing the incomes given in column one into the amounts of tax shown and it will be seen under the existing rates the virtual rate in the pound never reaches one shilling in the pound, one shilling in the pound being the maximum. In the third column of Western Australia the rates are shown as provided in the present Bill, namely,

the rates graduated from 2d. to 2s. 6d. in the pound by regular increments of .006 of a penny. In the last named column there is an error, to which I wish to direct the attention of members. Opposite the income of £2,000, in place of the figures £65 10s. 4d. there should be substituted £111 13s. 4d. The rate in the pound for an income chargeable of £1,000 is £1,000 minus £100, which gives £900, multiplied by .006, which produces 5-4d.; add 2d. and we arrive at 7-4d. as the rate in the pound for an income of £1,000; 7-4d. multiplied by 1,000 gives the amount of tax payable, namely, £30 16s. 8d. The first proviso to this paragraph deals with the case where the income chargeable is exactly £157 of a married taxpayer, or a single taxpayer with one dependant. The income tax for £157 works out at £1 10s. 8d., but if this were enforced the taxpayer earning £157 would be worse off than the taxpayer earning £156, by 10s. 8d. It is provided, therefore, that the amount payable in such cases shall not exceed £1. The second proviso enacts that the minimum tax payable by any one taxpayer shall both for land tax and income tax respectively be 2s. 6d. This principle is in force in Victoria and will obviate conditions which at present exist where demands have been made for small sums of tax, in some cases less than 1s. The Commissioner of Taxation is compelled to issue the notices and make a demand for the payment of taxes, and there are many sums of less than 1s. But we have adopted the Victorian system of having a minimum tax of 2s. 6d., because it can readily be seen that these small sums would not pay for collection. Clause 3 contains what may fairly be described as the equalising provisions as between the person drawing an income from dividends and the person who carries on a business on his own account. The object is that, when a person derives an income by way of dividend duty which had it been earned in the ordinary way as income, would have paid a higher rate than 1s. 3d. he will be called on to pay the higher rate. The rate of 1s. 3d. in the pound will be reached when the income chargeable amounts to £2,267 and thereafter the rate increases beyond 1s. 3d. in the pound until it reaches 2s. 6d. in the pound on an income chargeable of £4,767.

Hon. Sir E. H. Wittenoom: Why did they arrive at that particular figure?

The COLONIAL SECRETARY: The figure arrives at itself. We start on the principle at .006d. and get up to 2s. 6d. when the income is £4,767.

Hon. J. W. Kirwan: Do they not apply it both ways; the person who is paying more than the dividend tax?

The COLONIAL SECRETARY: I notice Mr. Kirwan has tabled an amendment with the purpose of making it apply both ways, and that amendment I am prepared to discuss at length when in Committee on the Bill. Personally, I do not think the amendment desirable. There are certain advantages about carrying on business as a limited liability company and as an individual, and it is considered fair that the persons who enjoy those advantages should pay for it, so that we tax the company at 1s. 3d. irrespective of the fact that some of the shareholders may be receiving so small a sum in dividends that they would possibly come under a much lower scale of taxation. But when we come to the person receiving the larger income there can be no justification in allowing him to escape for less than the person

who obtains income in the ordinary way. With this equalising clause a man might, by obtaining the requisite number of shares in an ordinary company to comply with the Companies' Act, possibly obtain the whole of the profits, making an income of perhaps £10,000, and he would be taxed at 1s. 3d. in the pound, while another individual carrying on the same class of business under his own name, and getting the same income, would be taxed at the rate of 1s. 6d. in the pound.

Hon. J. Duffell: How long is it proposed that this tax shall last; is it from year to year?

The COLONIAL SECRETARY: This Bill was originally introduced in the Legislative Assembly providing that the tax was continuous until repeated, but it was altered in that place and if it had not been altered there, there is no doubt this Chamber would have taken that course. This tax is for the one year and the taxation required for the following financial year will have to be submitted when Parliament meets again. It has been the practice the whole time the land and income tax has been in force for the Land Assessment Act to be the permanent measure, but the imposition of the tax itself has been passed each year and that practice will be continued. The flat rate for the taxes under the Dividend Duties Act on the whole of the profits of every company is 1s. 3d. in the pound under the Bill recently passed. It is necessary to provide for cases where taxpayers have a gross income consisting partly of dividends from companies and partly of income taxable under the Land Assessment Act, and cases where shareholders in a company, with another source of income in this State, receive dividends exceeding £2,267. If no provision is made in this matter taxpayers who are at present liable to an income tax on high incomes will be encouraged to turn their businesses into companies, in order to come under the flat rate of 1s. 3d., in lieu of the new income tax rates exceeding 1s. 3d. Under Subclause 1 of Clause 3 the taxpayer will be required in his return to show the whole of his taxable income, including companies' dividends and when the aggregate sum exceeds £2,267 the rate in the pound on the whole sum will be determined by the amount of such gross sum, and he will be allowed as a set off 1s. 3d. in the pound on the portion which consists of dividends, seeing that the dividend duty thereon has already been paid by the company. Subclause 2 provides for the case where the income is solely from dividends. That is to say, dividends received by the taxpayer from companies with which he is connected exceeding in the aggregate £2,267, or where there is other non-taxable income. He will be assessed for income tax according to the income tax rates and will be given credit for tax on the company dividends of 1s. 3d. in the pound. The cases where gross income from dividends plus income from other sources, or from dividends alone, does not exceed £2,267 are not provided for, as the portion which consists of dividends has, of course, been taxed in the hands of the company at 1s. 3d. in the pound, and the balance will be taxable in the ordinary way under the income tax Act at rates less than 1s. 3d. in the pound. The first subclause is intended to meet the case of those persons who derive the whole of their income from companies' dividends and the other subclause meets the case of those who have chargeable incomes, also incomes from companies' dividends.

Hon. J. Duffell: This is only one amendment.

The COLONIAL SECRETARY: I am speaking of the clauses submitted as at present. They pro-

vided for two classes, for a person who has an income only from companies, and for a person receiving a taxable income apart from dividend duties, but it does not provide for a person who may not receive the whole of the income from dividend duty but who, nevertheless, does not receive "chargeable" income apart from dividend duty. To quote an extreme case: a man receiving by way of dividend duty £5,000 might have £10, £15, or £20 coming from some other source. The mere fact of that puts him outside this proviso and will exempt him from sending in a return. He could not contend that he was getting the whole of his income from one source because he has been getting a small amount from some other source than dividends.

Hon. J. Nicholson: It is a kind of drag net clause.

The COLONIAL SECRETARY: No. It is a necessary provision to have fair conditions between all classes of taxpayers. The general intention of the clause is that any person who receives as dividend duty income in excess of the income on which the ordinary taxpayer would pay 1s. 3d., shall be called upon to pay on the same scale as the ordinary taxpayer. He has to send in his return showing what portion is derived from dividend duties and what portion from other sources. Those are the only provisions of the Bill and I move—

"That the Bill be now read a second time."

On motion by Hon. J. Nicholson debate adjourned.

MOTION—BOTANIST AND VEGETABLE PATHOLOGIST.

Debate resumed from the 22nd May on the motion by the Hon. H. Stewart "That in the opinion of the House, the changes that have taken place since the 25th October, 1917, in connection with the office of Botanist and Vegetable Pathologist, and the transference of the office of Botanist and Vegetable Pathologist from the Agricultural Department to the Mines Department, are not in the best interests of the Agricultural Industry."

Hon. C. F. BAXTER (Honorary Minister—East) [10-2]: While I oppose this motion, I must compliment Mr. Stewart on the able manner in which he dealt with the facts he had before him. The date 25th October, 1917, mentioned by the hon. member is the date of a minute by Mr. Willmott—then Honorary Minister for Agriculture—in which he recommended to Cabinet and to the Public Service Commissioner a scheme of retrenchment in this department which involved the retirement of three of the more highly salaried officers. These comprised—(a) The Botanist and Vegetable Pathologist, (b) the Fruit Industries Commissioner, (c) the Commissioner for the South-West. The reason for this step, as stated in the minutes, was the necessity for strict economy owing to the financial position. In his minute to Cabinet, Mr. Willmott has shown that the net saving from this step amounts to £1,630 per annum. The minute of the 20th October, 1917, by the Public Service Commissioner, places particular emphasis on this feature and contains the words—

The above course is proposed solely on account of the necessity to economise, due to the stringent financial position.

Cabinet's approval to these proposals was given on the 30th October, 1917; and it will be observed that the whole matter was finally decided prior to my taking over control of the department. The foregoing remarks show conclusively that the steps taken in this matter were actuated solely by the desire to effect economy in the working of departments, and that the matter of the retirement of the Botanist and Vegetable Pathologist was one item in the scheme adopted by Mr. Willmott with that object. Mr. Steward in the first portion of his motion refers to the changes which have taken place in the office of the Botanist and Vegetable Pathologist. These changes consist of—(a) the retirement of Dr. Stoward, (b) the resignation of the assistant (botanical and pathological), and (c) the appointment of a fresh assistant. The reason for (a) has already been given, being the desire to economise. In regard to (b), the resignation of Mr. Wakefield is regretted, and quite probably this particular change may not have been in the best interests of the agricultural industry. Mr. Wakefield, however, received an offer of a position in the Eastern States. Reasonable efforts were made to retain his services, and he was offered more pay and a higher classification. It is, therefore, due to no default of the Government that Mr. Wakefield has left the service. In regard to (c), I am convinced from the reports which have already reached me that the appointment of Mr. Herbert, B.Sc., will be found to be in the interests of the agricultural industry. Therefore, so far as the first part of the motion is concerned, the issue is narrowed to the question whether the retirement of Dr. Stoward was in the best interests of the agricultural industry. In connection with this I should like to review certain features of the evidence that for some time has been before the House, in the shape of the departmental files relating to this subject. They show, in the first place, that this retirement was decided on for financial reasons—that is, in order to effect economy; and the Public Service Commissioner, after giving full consideration to the report from the department, recommended the Government to take this step. It is important to note that it was not until after a final decision in regard to Dr. Stoward had been reached, that the Government Analyst, Mr. A. E. Mann, was brought into the matter. At the instance of the Public Service Commissioner Mr. Mann was then, on the 29th December, 1917, asked to furnish a report. In the course of this he described the work of the branch as comprising—(1) Botanical identifications for (a) the Forestry Department, (b) settlers suffering losses of stock from poison plants, (c) pastoralists requiring information on fodder values, (d) general inquiries; 2, care and classification of Herbarium; 3, examination of diseases in plants, such as potato blight, rust or smut in wheat, etc.; 4, examination of quality of seeds of various kinds, germination power, etc. Mr. Mann stated that the most important from a national point of view, are the identifications of poisons and plant diseases. Mr. Mann proceeded to state that in his opinion the assistant was quite capable of carrying out the scientific work of the department, and that a careful study of a number of files disclosed that the assistant had, in fact, been responsible for all botanical identifications, and for much of the work on plant pathology carried out in the past; also that the services of the assistant had not been used to full advantage, nor had his work been properly

recognised. It is true that the correctness of these statements is questioned later by the Commissioner for the Wheat Belt, in his minute of 16th January, 1918; but I would also ask how members to notice that this minute does not disclose any particular work of Dr. Stoward which could not be carried out under the new arrangement. There is nothing on these files, in the circumstances that have transpired since Dr. Stoward's retirement, which can reasonably be taken to show that the agricultural industry has suffered, or that the Government were not fully justified in this step. It has been shown by the records in the department that since Dr. Stoward's retirement there has been no delay or congestion of work. All branches which hitherto made use of the botanical section have continued to do so as theretofore, and there has been no suggestion that the work has been done less efficiently or that requirements have not been fully met. Also, the combination of the botanical and chemical branches has enabled work of a mixed character to be dealt with more expeditiously than hitherto. The work since the 1st January last has been just as voluminous as in previous periods of equal length, and has been disposed of as quickly and efficiently. There have been no demands on the botanical branch which it has not been able to fully and immediately satisfy. Personally, I have a high opinion of Dr. Stoward and of the value of his qualifications; but the fact that any particular scientist may have high qualifications and valuable experience does not in itself justify a Government in incurring the expense of giving him constant employment, more particularly when it is shown by the responsible advisers of the Government that the work required can be efficiently and satisfactorily carried on without that expense. Coming now to the second portion of the motion, that the transference of the office of Botanist and Vegetable Pathologist from the Agricultural Department to the Mines Department is not in the best interests of the agricultural industry, I can clearly show that the mover is on very weak ground indeed. In the first place, the office referred to has not been transferred to the Mines Department, but to the Government Analyst's branch, which, for administrative purposes, is attached to the Mines Department in the same way as the Government Printing Office and the Government Stores Department are attached to the Treasury. It is not economical, nor is it wise administration, for every department of the State to have a separate scientific branch. For instance, work in this connection is being done for the Forestry Department, and there is no greater anomaly in the Department of Agriculture going to the office of the Government Analyst for its scientific work, than in the past there was in the Forestry Department going for that purpose to the Department of Agriculture. By centralising this work, there will be a very considerable saving from using the Government Analyst's laboratory for combined work; the staff will be under better discipline and control, with a consequent increase of general efficiency. As an example of the saving to be effected, I may mention that it was ascertained during the re-arrangement that in the laboratory of the Department of Agriculture there was a large quantity of chemical apparatus, valued at from £200 to £300, which was not being used, and was not likely to ever be required in the Department of Agriculture, but which can be very usefully

employed in the combined laboratory. There is also the advantage that, by working in the same building, the chemical and biological staffs can assist each other and by their co-operation be made more valuable to the State. It is confidently anticipated that these tangible and obvious advantages will considerably outweigh any slight inconvenience from the laboratory being a street or two away from the offices of the Department of Agriculture. In the circumstances, I must oppose Mr. Stewart's motion.

Hon. J. EWING (North-West) [10-13]: I do not wish to delay the House but I regret that the Honorary Minister is opposing Mr. Stewart's motion. I consider the Honorary Minister has taken entirely the wrong course, because we want scientific research, and scientists of the highest qualifications, in order to assist in combating the diseases in wheat and other products which are so much troubling our settlers. If one looks round the world, one finds that scientists are foremost in evolving schemes which mean greater production and greater efficiency. That is so not only in America and in England, but all over the world. Mr. Stewart made out an excellent and most interesting case, and I think it is due to him that the House should endorse the action he has taken. I feel sure that the Minister himself is very much in sympathy with Mr. Stewart, and that what the Minister has said to-night is a statement more or less carefully prepared by the officer now in charge of the department. We do not want that sort of thing in this House or in this country. We want those administering the affairs of this State to take the full responsibility of their opinions and of their actions. It is not only to-night this kind of thing has happened, but also on previous occasions. Unless we get efficient work from our Ministers Western Australia will not go very far ahead. We should get away from departmental influence in Western Australia. The great necessity for keeping men of the class of Dr. Stoward here ought to be recognised. Dr. Stoward is a botanist and vegetable pathologist, and I am satisfied that he is a very efficient man. Therefore it is most regrettable that he has been got rid of. In the case of the late Commissioner for the South-West, Mr. Connor, the same question arises, whether it was advisable to get rid of the officer? Certainly, we have not to-day anyone administering the affairs of the South-West with the energy and determination of that gentleman. Whether he was efficient or not, it is not for me to say; but assuredly he seemed to know a great deal about dairying and dairy cattle and to do a great deal of good. We have nobody to replace him. There is, for instance, the Brunswick State farm, which should be used for the breeding of dairy herds, Holstein, Jersey, or Ayrshire cattle, for the benefit of the people in the South-West. What is being done on the State farm to-day? We have there an efficient manager under the jurisdiction of the very efficient gentleman who was brought here to look after the wheat areas of Western Australia. Is that fair? Does Mr. Sutton thoroughly understand the requirements of the South-West? We in the South-west are suffering to-day, and I hope the time is not far distant when the Minister in charge of Agriculture will furnish us with a man who will be able to do considerable good in the South-west. I think a great loss to the State occurred when the services of Mr. Connor were dispensed with. I am not alone in that opinion, and that is why I feel so keenly interested in the

motion moved by Mr. Stewart. If the hon. member divides the House on it I will support him.

On motion by Hon. J. Duffell debate adjourned.

MOTION—BRUNSWICK STATE ORCHARD, TO INQUIRE BY ROYAL COMMISSION.

Debate resumed from the 23rd May on motion by Hon. E. M. Clarke, "1. That, in the opinion of this House, the Government should appoint a Royal Commission to inquire into and report on the inception and working of the State orchard at Brunswick Junction, and the circumstances under which a portion of the same was destroyed on the instructions of the Acting Minister for Agriculture? 2. That all members of the Commission so appointed shall agree to act without remuneration."

Hon. C. F. BAXTER (Honorary Minister) [10-16]: In opposing the motion for the appointment of a Royal Commission, I wish hon. members to clearly understand that the Government have nothing to hide in the matter. Mr. Willmott, the Honorary Minister in charge at the time the orchard was uprooted, has explained his action, and that explanation served to satisfy the members of another Chamber, inasmuch as very little adverse criticism followed upon the Minister's statement. Briefly, his reasons were these: 1, the site generally was not a good one for orchard purposes, and particularly was most unsuitable for apple, pear, and English plum trees, which comprised a large portion of the planting; 2, Being planted in an unsuitable place it could serve no practical purpose for experiment or demonstration; 3, For the reasons given it could never be a commercial success, and in addition the large number of varieties it contained would have totally precluded that possibility. In that small plot there were no fewer than 342 varieties of trees.

Hon. E. Rose: So much the better.

Hon. C. F. BAXTER (Honorary Minister): As a commercial proposition, it could only result in failure.

Hon. E. Rose: It would serve to show people what not to plant.

Hon. C. F. BAXTER (Honorary Minister): It had served that purpose at the time it was uprooted. The fourth reason for Mr. Willmott's action was that at the time of uprooting the orchard was costing for wages, spraying material, manures, fodder, etc., at the rate of £62 18s. 4d. per month. Therefore, obviously once the decision to uproot was arrived at, the earlier it was carried into effect the less the loss. Those are the reasons why the orchard was destroyed. I am not opposing the motion merely to burke inquiry, but because the Royal Commission, if appointed, could serve no useful purpose. No doubt the residents of the Brunswick district could give evidence to the effect that in their opinion the orchard was useful as an experiment. But the experts would contradict those statements, and then in what way would we definitely prove that a mistake had been made? The only thing to do would be to replant the orchard, and I do not think any hon. member would advocate that course. It will be observed that the information required is as to the inception and working of the orchard. I submit that that information, when obtained, could be of no practical value whatever either to the district or to the State. The orchard was brought into being by Mr. Bath, when Minister for Lands, on the recommendation of the late Fruit Commissioner, Mr. Moody, and was under

Mr. Moody's care until a few weeks before the orchard was uprooted. The Fruit Industries Commissioner is no longer an employee of the Government, and so from that standpoint the Royal Commission is not needed. I do not know what could be gained by appointing the Royal Commission.

Hon. J. Ewing: It would serve to rehabilitate the district.

Hon. C. F. BAXTER (Honorary Minister): I do not think it could do any good in that direction. Since the motion was moved I have obtained a copy of the "South Western Times" of 11th May, 1918, which contains a detailed report of the meeting at Brunswick at which Mr. Clarke was requested to move for a Royal Commission. The motion carried stated definitely "The experience of practical orchardists in the district proves that fruit can be profitably grown in the district." A long discussion followed on that, but no proof was given that fruit could be grown commercially in that district. I myself have seen in the district plots on which fruit was growing well. But that does not apply to the whole of the district, nor does it say that the fruit I saw growing so well was being produced on a commercial basis.

Hon. J. Ewing: That does not square with Mr. Price's statement.

Hon. C. F. BAXTER (Honorary Minister): There again, Mr. Price is not speaking from a commercial standpoint. Whether the orchard I saw is commercially successful is another thing altogether. One might take a plot of ground, put into it an enormous amount of money, and as a result grow good fruit. But the cost would preclude the orchard returning a profit. That would not be a commercial success. At the meeting referred to, no proof was given that fruit could be commercially grown in the district. Mr. Clarke stated that he himself had grubbed up 15 acres of orchard, and that he had only done this after thoroughly testing the land for 15 years. In view of this, is it not reasonable to suppose that Mr. Willmott, who issued the instructions for the grubbing up of the orchard, was guided by Mr. Clarke's experience? I just mention these points to show how inconclusive would be the evidence submitted to the members of the Royal Commission. Hon. members will agree that when thousands of pounds have been put into a small orchard it never could be a commercial success. The total quantity of the fruit which would have been taken off the orchard this year was estimated at a value of £48, provided that the whole of the fruit on the trees ripened. Mr. Price, whose judgment in connection with the uprooting of the orchard has been questioned, has had nursery experience in this State for very many years.

Hon. E. Rose: Where? Not between here and Bunbury.

Hon. C. F. BAXTER (Honorary Minister): He is acknowledged by all connected with the industry to be one of the ablest orchardists in Western Australia. There is no doubt about his ability. He has a good practical knowledge of both the coastal and the inland country in this State. Suppose Mr. Price were called as a witness before the Royal Commission. His evidence would certainly outweigh that of a number of other witnesses. In these circumstances it would be a waste of time and of money to appoint the Royal Commission to go into this matter. Mr. Price has not only written a report on the subject, but he has given us illustrations showing the root

system as it existed at Brunswick, as against the proper root system. I do not pose as an expert but the roots I saw down there proved conclusively to me that the ground they were in was not suitable for fruit-growing. The roots were running along only a few inches below the surface. There is there a very hard claypan only a few inches down. It is all very well for hon. members to talk about there being no expense in connection with the proposed Commission, but I remind them that witnesses cannot be called to give evidence without the incurring of expense. Then there would be the taking down of the evidence, and the cost of the whole of the printing. Therefore although members of the Commission would not receive any fees, the Commission would nevertheless be expensive, just the same. I am opposed to the motion on the ground that the appointment of the Commission would result in no good, but would merely increase the financial burden of the State.

On motion by Hon. V. Hamersley debate adjourned.

House adjourned at 10.31 p.m.

Legislative Assembly,

Tuesday, 23th May, 1918.

The SPEAKER took the Chair at 4.30 p.m. and read prayers.

[For "Questions on Notice" and "Papers Presented" see "Votes and Proceedings."]

BILLS (3)—RETURNED FROM THE COUNCIL.

- 1, Fire Brigades Act Amendment (without amendment).
- 2, Insurance Companies (with amendment).
- 3, Stamp Act Amendment (with amendments).

BILL—VERMIN.

In Committee.

Resumed from the 24th May; Mr. Stubbs in the Chair, Hon. F. E. S. Willmott (Honorary Minister) in charge of the Bill.

The CHAIRMAN: The position is that we are considering Clause 83, Subclause 2 (applicant to secure repayment of cost by mortgage), to which Mr. Johnston has moved an amendment that a proviso be added as follows:—"Provided that such advances shall only be made when the existing mortgagees of the holding have given their consent in writing."